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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

INTERNATIONAL
BROTHERHOOD OF
TEAMSTERS, LOCAL 396,

Petitioner,
vs.

NASA SERVICES, INC.; and DOES
I through X,

Respondents.

Case No.: 2:18-cv-03681-KS

REQUEST FOR JUDICIAL
NOTICE IN SUPPORT OF
MOTION TO COMPEL
ARBITRATION

Date: August 20, 2018, 1:30 p.m.

Judge: Hon. Stephen Wilson

Location: Courtroom 10A

1 Petitioner Teamsters Local 396 (the “Union”) requests that the Court
2 take judicial notice of the documents attached hereto and marked as
3 Exhibits 1-8 in connection with the Union’s motion to compel arbitration.
4 This request is made pursuant to Federal Rule of Evidence 201 and the
5 authorities cited below.

6 **Exhibit 1:** City of Los Angeles, “Zero Waste LA” Exclusive Franchise
7 Ordinance, Ordinance No. 182986, available at: <https://www.lacitysan.org/cs/groups/public/documents/document/mhfh/mdax/~edisp/qa001023.pdf>
8 (last visited July 23, 2018).

9
10 **Exhibit 2:** City of Los Angeles, Bureau of Sanitation, “Request for
11 Proposals: Citywide Exclusive Franchise System for Municipal Solid-Waste
12 Collection and Handling” (June 11, 2014), available at: <https://www.lacitysan.org/cs/groups/public/documents/document/mhfh/mdax/~edisp/qa001022.pdf>
13 (last visited July 23, 2018).

14
15 **Exhibit 3:** City of Los Angeles, Department of Public Works,
16 Authority to Award Contracts for the Zero Waste LA Exclusive Franchise
17 System for Commercial and Multifamily Solid Waste Collection and
18 Handling – Bureau of Sanitation (LASAN)” (September 26, 2016), available
19 at: <https://www.lacitysan.org/cs/groups/public/documents/document/y250/mde0/~edisp/cnt014114.pdf> (last visited July 23, 2018).

20
21 **Exhibit 4:** City of Los Angeles, Board of Public Works, “Journal of the
22 Board of Public Works” (September 26, 2016), available at: http://clkrep.lacity.org/bpwgranicus/granicus/2016/09262016_bpwjou.htm (last visited
23 July 23, 2018).

24
25 **Exhibit 5:** Mayor of the City of Los Angeles, “Transmittal: Seven
26 Franchise Agreements for Commercial and Multi-family Solid Waste
27 Collection and Handling” (November 3, 2016), available at:
28

1 http://clkrep.lacity.org/onlinedocs/2010/10-1797-S17_rpt_MAYOR_11-03-2016.pdf (last visited July 23, 2018).

3 **Exhibit 6:** City Council of the City of Los Angeles, Energy and
4 Environment Committee Report, File No. 10-1797-S17; 10-1797-S16,
5 available at: http://clkrep.lacity.org/onlinedocs/2010/10-1797-s17_rpt_ee_12-7-16.pdf (last visited July 23, 2018).

7 **Exhibit 7:** Official Action of the Los Angeles City Council, File No. 10-1797-S17, available at: http://clkrep.lacity.org/onlinedocs/2010/10-1797-S17_CA_12-13-2016.pdf (last visited July 23, 2018).

10 **Exhibit 8:** Personal Services Contract Between the City of Los
11 Angeles and NASA Services, Inc., Contract No. C-128876, available at:
12 http://clkrep.lacity.org/onlinecontracts/2017/C-128876_c_2-1-2017.pdf (last
13 visited July 23, 2018).

14 **BASIS FOR REQUESTING JUDICIAL NOTICE**

15 **Exhibit 1:** City ordinances are proper subjects for judicial notice.
16 *Santa Monica Food Not Bombs v. City of Santa Monica*, 450 F.3d 1022,
17 1025 n. 2 (9th Cir. 2006); *Lamle v. City of Santa Monica*, No. CV 04-6355-GHK SH, 2010 WL 3734868, at *4 (C.D. Cal. July 23, 2010), report and recommendation adopted, No. CV 04-6355-GHK SH, 2010 WL 3734864 (C.D. Cal. Sept. 22, 2010), *aff'd*, 498 F. App'x 738 (9th Cir. 2012).

21 **Exhibits 2-8:** Official records contained on government websites are
22 proper subjects for judicial notice. *Santa Monica Food Not Bombs*, 450
23 F.3d at 1025 n. 2 (9th Cir. 2006) (taking judicial notice of "public records"
24 that "can be accessed at Santa Monica's official website"); *Preciado v. Wells*
25 *Fargo Home Mortgage*, No. 13-00382 LB, 2013 WL 1899929, at *3 (N.D.
26 Cal. May 7, 2013).

27 Official memoranda of local government entities are proper subjects of
28 judicial notice. *City of San Jose v. Office of Comm'r of Baseball*, No. C-13-

02787 RMW, 2013 WL 5609346, at *4 (N.D. Cal. Oct. 11, 2013), *aff'd sub nom. City of San Jose v. Office of the Com'r of Baseball*, 776 F.3d 686 (9th Cir. 2015).

McCRACKEN, STEMERMAN &
HOLSBERRY LLP

By: /s/Paul L. More
Paul L. More
Attorneys for Petitioner

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO

3
4 I am employed in the city and county of San Francisco, State of
5 California. I am over the age of eighteen years and not a party to the within
6 action; my business address is: 595 Market Street, Suite 800, San Francisco,
California 94105.

7 On July 23, 2018 I served a copy of the following document(s) described
8 as:

9 **REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF MOTION TO**
10 **COMPEL ARBITRATION**

11 on the interested party(ies) to this action as follows:

12 *By ECF System - Court's Notice of Electronic Filing:*

13
14 L Brent Garrett
15 Atkinson Andelson Loya Ruud and Romo
16 12800 Center Court Drive South Suite 300
17 Cerritos, CA 90703
18 562-653-3200
19 Fax: 562-653-3333
Email: bgarrett@aalrr.com

20 *Attorneys for NASA Services, Inc.*

21
22 I declare under penalty of perjury under the laws of the State of
23 California that the foregoing is true and correct.

24 Executed on this 23rd day of July 2018, at San Francisco, California.

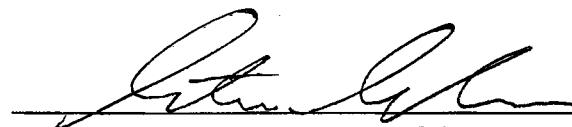
25
26
27 
28 Katherine Maddux

EXHIBIT 1

182986
ORDINANCE NO. _____

An ordinance retitling Chapter VI, Article 6; adding new Sections 66.03 and 66.33 to 66.33.11 of the Los Angeles Municipal Code relating to the collection of solid waste from commercial establishments and multifamily dwellings; amending Sections 66.00, 66.00.1, 66.01, 66.02, 66.08.1, 66.08.3 through 66.08.6, 66.17.1, 66.23 through 66.25, 66.27 through 66.30, and 66.32; and repealing Sections 66.01.1, 66.04, 66.06, 66.07, 66.08.2, 66.09, 66.10, 66.18 through 66.22; and 66.26.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Article 6 of Chapter VI of the Los Angeles Municipal Code is retitled to read as follows:

ARTICLE 6

SOLID WASTE COLLECTION

Sec. 2. Section 66.00 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 66.00. DEFINITIONS.

For the purpose of this Article, the following words and phrases are defined and shall be construed as set out here, unless it is apparent from the context that they have a different meaning:

1. **Board** shall mean the City of Los Angeles Board of Public Works.
2. **Bureau** shall mean the Bureau of Sanitation of the City of Los Angeles or its duly authorized representative.
3. **City** shall mean the City of Los Angeles.
4. **Collection Services** shall mean the collection, transportation and delivery for processing or disposal of solid waste from commercial establishments and multifamily dwellings.
5. **Commingled Recyclables** shall mean recyclables that have been separated or kept separate from other solid waste at the point of generation for the purpose of additional sorting or processing for recycling or reuse in order to return the material to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace. Commingled recyclables shall not consist of construction and demolition waste.

6. **Commercial Establishment** shall mean all real property in the City, except residential premises and premises that receive solid waste disposal service from the City, upon which for-profit or not for-profit activity is conducted, including but not limited to manufacturing, transportation, retail sales, wholesale operations, services, hotel or motel operations, education, or other businesses or institutional activity.

7. **Construction and Demolition Waste** shall mean solid waste that results directly from construction, remodeling, repair, demolition, or deconstruction of buildings and other structures, does not contain hazardous waste, and contains no more than one percent (1%) putrescible wastes by volume, calculated on a monthly basis. Construction and demolition waste includes, but is not limited to, asphalt, concrete, Portland cement, brick, lumber, wallboard, roofing material, ceramic tile, pipe, glass, carpet or associated packing.

8. **Director** shall mean the Director of the bureau of Sanitation of the city of Los Angeles.

9. **Dwelling Unit** shall mean one or more rooms, one of which is a kitchen, designed for occupancy by one family for living and sleeping purposes.

10. **Gross Receipts** shall mean those receipts defined as gross receipts in Los Angeles Municipal Code Section 21.00(a) generated by the collection of solid waste including, but not limited to, service, container rental, disposal and processing charges. For purposes of Sections 66.32.1 through 66.32.5, gross receipts shall not be applicable to receipts generated by the collection and sale of source-separated materials or commingled recyclables.

11. **Hazardous Waste** shall mean any waste as defined in California Health and Safety Code Section 25117.

12. **Multifamily Dwelling** shall mean any building, structure, unit or location designed for residential occupancy, exclusive of "Single Family Dwelling" and dwelling units that receive solid waste disposal service from the City.

13. **Organics** shall mean compostable solid waste that is source separated and placed in a container for collection. Organics include, but are not limited to, grass, leaves, tree branches, clean wood free of paint, nails or any treatment, food scraps, food soiled boxes and paper.

14. **Person** shall mean natural person, business, contractor, joint venture, joint stock company, firm, partnership, association, club, company, corporation, business trust, or organization, or the manager, employer, agent, servant, officer, or employee of any of them. Person shall not mean the City of

Los Angeles, or any of its constituent entities, departments, boards, employees or officers.

15. **Recyclables** shall mean solid waste that is capable of being recycled or re-used in the marketplace, whether source separated or commingled with other solid waste.

16. **Residential Premises** shall mean single family dwellings and multifamily dwellings.

17. **Self-Hauler** shall mean a person who is not primarily engaged in the business of collection, removal or transportation of solid waste but in the course of performing the person's primary business function incidentally transports solid waste. Examples of self-haulers include, but are not limited to, gardeners, landscapers and household cleanup service firms. A person who collects, removes or transports construction and demolition waste is not a self-hauler under any circumstance, but rather a solid waste hauler subject to all of the requirements applicable to solid waste haulers.

18. **Single Family Dwelling** shall mean a building designed for residential occupancy, and containing one or two dwelling units.

19. **Solid Waste** shall mean all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, construction and demolition waste, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semisolid wastes, and other discarded solid and semisolid wastes.

"Solid waste" does not include any of the following wastes:

- (i) Hazardous waste;
- (ii) Radioactive waste regulated pursuant to Part 9 of Division 104 of the California Health and Safety Code;
- (iii) Medical waste regulated pursuant to Part 14 of Division 104 of the California Health and Safety Code;
- (iv) Pharmaceutical waste as defined in California Health and Safety Code Section 117748.

20. **Solid Waste Disposal Facility** shall mean a facility fully permitted under applicable local, state, and federal laws and regulations to accept and dispose of solid waste.

21. **Solid Waste Hauler** shall mean any person engaged in the business of providing for the collection, removal or transportation of solid waste.

22. **Source-Separated Material** shall mean recyclables that have been separated or kept separate from other solid waste at the point of generation and sorted by material type, such as wood, metal, glass, concrete, or organics, without being commingled with other solid waste, including recyclables. To qualify as source-separated material, each type of material must be transferred in a separate container to a recycling center.

Sec. 3. Section 66.00.1 of the Los Angeles Municipal Code is retitled to read as follows:

SEC. 66.00.1. SOLID WASTE SERVICES.

Sec. 4. Section 66.00.1(a)(1) of the Los Angeles Municipal Code is amended to read as follows:

1. The collection of household solid waste combined in one or more containers by a single pickup except when more than one pickup is required by the Board and approved by Council resolution, on a regularly scheduled basis, but not to provide for the collection of commercial solid waste.

Sec. 5. Section 66.00.1(b) of the Los Angeles Municipal Code is amended to read as follows:

(b) It is the policy of the City of Los Angeles to dispose of solid waste collected by the City, including metals, in land reclamation sites owned and operated or otherwise controlled by the City or in City-owned incinerators when economically feasible, or by contractual arrangement where appropriate. Contractual arrangements involving consideration in excess of \$5,000 shall be approved by the Council by ordinance or resolution, except in the case of an emergency as determined by the Director.

Sec. 6. Section 66.00.1(e) of the Los Angeles Municipal Code is amended to read as follows:

(e) The Board shall adopt rules and regulations, not inconsistent with this Article, to effectuate the purposes and intent of this Section and the further provisions of this Article. Any such rule or regulation pertaining to solid waste collection shall be approved by the Council.

Sec. 7. Section 66.00.1(f) of the Los Angeles Municipal Code is amended to read as follows:

(f) The Board, subject to the approval of the Council in each instance by resolution, may from time to time institute and conduct one or more pilot programs within an area or areas of the City designated by the Board for the separate collection and disposal of solid waste on a regularly scheduled basis, for the purpose of studying costs to the City and other factors of such program or programs compared with the policies set forth in Subsection (a) of this Section.

Sec. 8. Section 66.01 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.01. SOLID WASTE COLLECTION.

No person shall remove or convey any solid waste upon or along any street in this City, provided, however, that the provisions of this section shall not apply to any person in the employ of this City who shall be assigned by the Board to the work of solid waste disposal or to any person with whom this City has entered into, or may hereafter enter into, a contract for the collection, removal and disposal of solid waste or to any employee of such contractor during the time his contract shall be in force, and provided further that solid waste collection and disposal contractors serving neighboring municipalities, County sanitation districts, State or Federal institutions, or any person in the employ of any such governmental agency may haul garbage over the streets of this City after having first obtained a permit therefor pursuant to Section 66.32, *et seq.*

Sec. 9. Section 66.01.1 of the Los Angeles Municipal Code is hereby repealed.

Sec. 10. Section 66.02 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.02. SOLID WASTE CONTAINER SPECIFICATIONS.

It shall be the duty of every owner, manager, or person in possession, charge or control of any commercial establishment, and every person occupying a residential premises within the City to provide, and at all times to keep containers for holding solid waste. Each container shall be constructed to be nonabsorbent, watertight, vector-resistant, durable, easily cleanable, and designed for safe handling. Each such container and its cover shall be made of such materials as may be approved for such use by the Board and by the City Council. The cover shall not be removed except when necessary to place solid waste therein or to remove solid waste therefrom. Each container and its cover shall be kept cleaned on the outside from accumulating grease and decomposing material and shall be of an adequate size and in sufficient numbers to contain, without overflowing, all the solid waste that a household or other establishment generates within the designated removal period. Each such container when filled shall not exceed reasonable lifting weights for an average physically fit individual except where mechanical loading systems are used. Any such vessel, tank or receptacle shall comply with Part 1301 of Title 16 of the Code of Federal Regulations to the extent that such Part is applicable to any such vessel, tank or receptacle.

Sec. 11. Section 66.03 is added to the Los Angeles Municipal Code to read as follows:

SEC. 66.03. SOLID WASTE SERVICE REQUIRED.

(a) No person shall keep any solid waste, or allow any solid waste, excluding organics used for composting or mulch, to remain upon any premises within the City for more than seven days. All solid waste shall be placed in containers that meet the requirements of Section 66.02.

(b) Owners of commercial establishments and multifamily dwellings or the generator of solid waste at such premises or the agent of the owner or generator shall subscribe to and pay for collection services provided by a solid waste hauler authorized to provide such services pursuant to the provisions of this Article.

(c) The minimum level of service to which the owner, generator or agent shall subscribe shall be the number and size of solid waste containers suitable for garbage collection and the frequency of collection which is necessary for the removal and disposal of all solid waste generated at the premises, excluding commingled recyclables and source-separated material, in a seven-day period. Such minimum level of service shall be determined by the owner, generator or agent and the solid waste hauler. In the event the owner, generator or agent and the solid waste hauler do not agree on the minimum level of service necessary, such determination shall be made by the Director.

(d) All commercial establishments shall have collection services for source-separated materials or commingled recyclables.

Sec. 12. Sections 66.04, 66.06 and 66.07 of the Los Angeles Municipal Code are hereby repealed.

Sec. 13. Section 66.08.1 of the Los Angeles Municipal Code is retitled amended to read as follows:

SEC. 66.08.1. SOLID WASTE DISPOSAL FACILITY FRANCHISES OR CONTRACTS.

Should the City at any time award a franchise or contract for the disposal of solid waste, then no person, other than the franchisee or contractor, shall thereafter be permitted to provide services covered by such franchise or contract within the granted franchise or contract area except as otherwise permitted by the Board.

Sec. 14. Section 66.08.2 of the Los Angeles Municipal Code is hereby repealed.

Sec. 15. Section 66.08.3 of the Los Angeles Municipal Code is retitled amended to read as follows:

SEC. 66.08.3. OPERATION OF SOLID WASTE DISPOSAL FACILITIES.

(a) It is unlawful for any person to own, establish, operate or carry on the business of a solid waste disposal facility in the City unless, at the City's sole option, such person has been granted a non-exclusive franchise by the City Council.

(b) Section (a) does not apply to any person who owns or operates a solid waste disposal facility operating as of January 1, 1999, under a valid conditional use permit or other authorizing permit issued by the City, until any one of the following events occurs:

- (1) the conditional use permit or other authorizing permit expires, or
- (2) the conditional use permit or other authorizing permit is renewed, or
- (3) the conditional use permit or other authorizing permit is modified.

Sec. 16. Section 66.08.4 of the Los Angeles Municipal Code is retitled to read as follows:

SEC. 66.08.4. SOLID WASTE DISPOSAL FRANCHISE TERMS AND CONDITIONS.

Sec. 17. Section 66.08.5 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.08.5. SOLID WASTE DISPOSAL FACILITY FRANCHISE FEES.

The City shall impose a franchise fee each year equal to 12 percent of the annual gross receipts from fees and charges collected by the operator of the solid waste disposal facility.

Sec. 18. Section 66.08.6 of the Los Angeles Municipal Code is retitled to read to read as follows:

SEC. 66.08.6. OTHER SOLID WASTE DISPOSAL FACILITY FRANCHISE PROVISIONS.

Sec. 19. Sections 66.09 and 66.10 of the Los Angeles Municipal Code are hereby repealed.

Sec. 20. Section 66.17.1 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.17.1. PROOF OF SOLID WASTE COLLECTION SERVICE.

Irrespective of any other provision of this Code, the manager or person in charge of, or in control of, any solid waste of any residential premises or commercial establishment shall furnish written proof, whether in the form of contracts or receipts, to any appropriate municipal authority on request that said premises maintains collection services that collects solid waste generated from said premises in a manner in keeping with current health regulations and in compliance with the requirements of this Article and other provisions of the Los Angeles Municipal Code.

Sec. 21. Sections 66.18 through 66.22 of the Los Angeles Municipal Code are hereby repealed.

Sec. 22. Section 66.23 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.23. SOLID WASTE VEHICLES – USE OF STREETS.

(a) No person shall permit any vehicle hauling or used for hauling or carrying any solid waste or other nauseous or offensive substance to remain in or upon any street longer than is necessary for loading and hauling such substance to its destination or permit any such vehicle to be in a filthy or offensive condition, or to remain uncovered when in transit upon streets or near public places.

(b) No person shall remove or convey any solid waste or other nauseous or offensive substance along any street, except in watertight vessels, receptacles or carriers.

Sec. 23. Section 66.24 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 66.24. REPLACING FALLEN MATERIAL.

No person removing or conveying any solid waste shall fail, refuse or neglect to replace immediately in any container any solid waste that shall have fallen therefrom, in or upon any street or in or upon any premises.

Sec. 24. Section 66.25 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.25. DEPOSITING SOLID WASTE ON STREETS OR IN THE LOS ANGELES RIVER PROHIBITED.

(a) No person shall deposit or cause to be deposited any solid waste of any kind whatsoever upon or in any street, or upon any premises in this City, or in the Los Angeles River.

(b) Any person whose identifying information is found in or who is otherwise responsible for the deposit of solid waste of any kind whatsoever, upon or in any street, shall be responsible for depositing it on the public right-of-way and shall be subject to administrative penalties as defined in Subsection (c).

(c) The first violation of Subsection (b) in a calendar year is subject to warning or an administrative monetary penalty not to exceed \$500.00. Subsequent violations in the same calendar year will result in a second penalty not to exceed \$750.00 for the second violation after receiving the initial \$500.00 penalty. The penalty for the third administrative violation in a calendar year is \$1000.00. More than three administrative fines in one calendar year shall result in the violation being charged as a misdemeanor in Superior Court and subject to all penalties applicable to criminal violations. The Bureau is authorized to assess a processing fee established by the Board for all citations with an administrative monetary penalty. All noncriminal enforcement actions are subject to the administrative hearing process as mandated in the California Government Code Section 53069.4, as now existing and as may be amended.

Sec. 25. Section 66.26 of the Los Angeles Municipal Code is hereby repealed.

Sec. 26. Section 66.27 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 66.27. RULES AND REGULATIONS – EFFECT OF NON-COMPLIANCE WITH.

The collection of solid waste not prepared and placed for collection in accordance with the rules and regulations adopted by the Board may be rejected by the City.

Sec. 27. Section 66.28 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.28. SOLID WASTE – TAMPERING WITH.

No person, other than the owner thereof, his agents or employees, or an officer or employee of this City or any person holding a contract with this City for the collection, management and/or disposal of solid waste, shall tamper with or remove any solid waste, solid waste container or the contents thereof from any location where the same had been placed by the owner thereof or his agent, whether or not such container conforms to requirements or description set forth in the rules and regulations of the Board.

Sec. 28. Section 66.29 of the Los Angeles Municipal Code is retitled and amended to read as follows:

SEC. 66.29. CITY EMPLOYEES – USE OF SOLID WASTE.

No employee of this City shall remove or dispose of, for said employee's individual use or benefit, any of the contents of any container used for the collection, removal or disposal of solid waste.

Sec. 29. Section 66.30 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 66.30. CONSTRUCTION OF ARTICLE.

Nothing contained in this Article shall be deemed to conflict with any section of this Code regulating the collection, removal or disposal of solid waste, but any such sections of this Code and any law shall each be so construed as to give effect to every provision thereof and each shall be deemed to be independent of the other.

Sec. 30. Section 66.32 of the Los Angeles Municipal Code is retitled amended to read as follows:

SEC. 66.32. PURPOSE.

In order to meet the diversion goals of AB 939 and the City of Los Angeles which is Zero Waste by 2025, solid waste haulers, contractors and recyclers shall register with the City to obtain a permit. As used in this Section and in Sections 66.32.1 through 66.32.5, the following terms shall have the meanings set forth below:

1. **AB 939** shall mean the State of California's Integrated Waste Management Act of 1989, as may be amended from time to time, and as set forth in California Public Resources Code Sections 40050, *et seq.*, and implementing regulations of the Department of Resources Recycling and Recovery (CalRecycle).
2. **AB 939 Compliance Permit** shall mean a permit issued pursuant to the provisions of Subsection (a) of Section 66.32.1.
3. **Appellant** shall mean a person who files a written request for a hearing pursuant to the provisions of Subdivision (1) of Subsection (d) of Section 66.32.3 of this Article.
4. **Certified Construction and Demolition Waste Processing Facility** shall mean a waste processing facility, operating lawfully pursuant to all applicable permits and possessing valid and current certification from the City of Los Angeles, that accepts construction and demolition waste for the purpose of recovering reusable and recyclable materials and disposing of non-recyclable residual materials.

5. **Contractor** shall mean any Person who enters into a contract for any construction or demolition project that requires a permit from the Department of Building and Safety.

6. **Permittee** shall mean a person issued an AB 939 Compliance Permit pursuant to the provisions of Subsection (a) of Section 66.32.1.

Sec. 31. Section 66.33 is added to the Los Angeles Municipal Code to read as follows:

SEC. 66.33. PURPOSE .

Under the City's RENEW LA Plan, the City committed reaching Zero Waste by diverting 70% of the solid waste generated in the City by 2013, diverting 90% by 2025, and becoming a zero waste city by 2030. State law currently requires at least 50% solid waste diversion and establishes a state-wide goal of 75% diversion by 2020. Moreover, state law requires mandatory commercial recycling in all businesses and multifamily complexes and imposes additional reporting requirements on local agencies, including the City. In order to meet these requirements and goals, increasing recycling and diversion in the commercial and multifamily waste sectors is imperative. The commercial and multifamily sectors produce most of the City's solid waste. Currently, a significant amount of commercial and multifamily solid waste generated in the City, including recyclables and organics, is going to landfills, resulting in unnecessary greenhouse gas emissions. The City has a responsibility under state law to ensure effective and efficient waste and recycling service for its businesses and residents. It will most successfully fulfill that responsibility, and also meet its own Zero Waste policy goals, by ensuring that its solid waste, including recyclables and organics, are collected, transported and processed in a manner that reduces environmental and social impacts on the City and the region.

An exclusive, competitive franchise system for the collection, transportation and processing of commercial and multifamily solid waste will aid the City in meeting its diversion goals by, among other things: (i) requiring franchisees to meet diversion targets; (ii) increasing the capacity for partnership between the City and solid waste haulers; (iii) allowing the City to establish consistent methods for diversion of recyclables and organics; (iv) increasing the City's ability to track diversion, which will enable required reporting and monitoring of state mandated commercial and multifamily recycling; (v) increasing the City's ability to ensure diversion quality in the processing facilities handling its waste and recyclables; and (vi) increasing the City's capacity to enforce compliance with federal, state, county, and local standards.

An exclusive, competitive franchise system will also have other beneficial effects, including reducing adverse environmental impacts such as unnecessary solid waste truck traffic, emissions and street impacts, protecting ratepayers, ensuring high customer service standards, and increasing solid waste hauler accountability.

While the move to an exclusive franchise system will generate many benefits for the City and its residents, it will also increase the risk that a labor dispute will interfere with collection services. To protect the City's interest in efficient and uninterrupted collection services, the City will require franchisees to produce evidence that they are parties to written, enforceable agreements that prohibit labor organizations and their members from engaging in picketing, work stoppages, boycotts or other economic interference with collection services.

SEC. 66.33.1. DEFINITIONS.

As used herein and in Sections 66.33 to 66.33.17, the following terms shall have the meanings set forth below:

1. **Clean Fuel Vehicles** shall mean those vehicles that meet or exceed the requirements of Southern California Air Quality Management District Rule 1193, as now existing and as may be amended.
2. **Customer** shall mean any individual, firm, partnership, joint venture, association, fraternal organization, corporation, estate trust, business trust, receiver, trustee, executor, administrator, syndicate, the United States, any state, any county, city and county, municipality, district or other political subdivision of any state or of the United States, or any other group or combination acting as a unit.
3. **Franchise Agreement** shall mean a written contract between the Bureau and a franchisee setting forth the terms and conditions under which the franchisee shall perform collection services in the City.
4. **Franchisee** shall mean a solid waste hauler granted an exclusive franchise to provide collection services in a franchise zone.
5. **Franchise Zone** shall mean a geographic area of the City within which a franchisee shall provide collection services pursuant to the terms of a franchise agreement.
6. **Labor Peace Agreement** shall mean an enforceable agreement between a franchisee, or a franchisee's subcontractor, and a labor organization (as defined by 29 U.S.C. §152(5)) that represents or seeks to represent the franchisee's or subcontractor's employees providing collection services and that contains provisions under which the labor organization for itself and its members agrees to refrain from engaging in any picketing, work stoppages, or any other economic interference with the franchisee's performance of collection services.
7. **On-location Filming Waste** shall mean solid waste generated and collected at a commercial film production permitted pursuant to Section 12.22 A.13. of this Code or Section 22.350 of the Los Angeles Administrative Code.

8. **Studio** shall mean one or more adjacent parcels of real property occupied by a motion picture or television production and distribution enterprise and containing sound stages totaling no less than 50,000 square feet in area and 18 feet in height designed for motion picture or television production and utilized by that enterprise specifically for such purpose.

SEC. 66.33.2. EXCLUSIVE FRANCHISE FOR COLLECTION SERVICES.

(a) The City may award contracts for collection services for commercial establishments and multifamily dwellings through an exclusive franchise agreement authorizing and obligating the holder to provide collection services within a franchise zone.

(b) A franchisee's exclusive right to provide collection services shall not include the right to collect the following materials, the collection of which is not prohibited by this Article:

- (1) Solid waste removed from a commercial establishment or multifamily dwelling by a self hauler;
- (2) Construction and demolition waste;
- (3) Solid waste collected by the City;
- (4) On-location filming waste.

(c) Any franchisee may contract with a studio for collection services regardless of the franchise zone where the studio is located.

SEC. 66.33.3. UNLAWFUL ACTIVITIES.

(a) **Provision of Collection Services.**

Except as provided in Sections 66.33.2(b) through (c) and Section 66.33.3(b), it is unlawful for any person to provide collection services to a commercial establishment or multifamily dwelling within a franchise zone unless a written franchise agreement therefor has been executed between such person and the City, and such agreement is in full force and effect.

(b) **Transition Period.**

The City, in its sole discretion and consistent with state law, may authorize a solid waste hauler possessing a valid permit issued pursuant to Section 66.32, *et seq.*, to continue providing collection services in a franchise zone to the extent necessary to meet the needs of any customer in that zone until the franchisee is able to perform the collection services.

SEC. 66.33.4. FRANCHISE ZONES.

The Bureau shall divide the territory within the City into eleven (11) franchise zones, the designation of which shall be subject to the approval of the Board and City Council. Three (3) of the franchise zones shall be designed as "single" zones, which shall not be granted in combination with any other franchise zone.

SEC. 66.33.5. FRANCHISE AGREEMENT FEES.

The Bureau shall include in each franchise agreement a negotiated annual franchise fee to be paid to the City by the respective franchisee.

SEC. 66.33.6. MINIMUM FRANCHISE AGREEMENT STANDARDS.

The following minimum standards shall apply to all franchises granted under this part, and shall be made binding terms of all franchise agreements:

(a) Required Collection Services.

During the term of the franchise agreement and subject to its terms and conditions, each franchisee shall collect, transport, and deliver for processing or disposal all solid waste generated at all commercial establishments and multifamily dwellings located within that franchise zone.

(b) Clean Fuel Vehicles.

All vehicles used by a franchisee to provide collection services under a franchise agreement shall at all times be in compliance with all applicable air pollution control laws and regulations, including but not limited to the California Air Resources Board "Diesel Particulate Matter Control Measure for On-Road Heavy Duty Residential and Commercial Solid Waste Collection Vehicle Diesel Engines" and South Coast Air Quality Management District Amended Rule 1193.

(c) Labor Peace Agreement.

As a condition for the grant of a franchise agreement, a condition precedent to any franchisee or subcontractor performing collection services, and as an ongoing, material condition of the franchise agreement, each franchisee shall provide satisfactory evidence that it, and any subcontractor who will provide collection services, are a party to labor peace agreement(s) with any labor organization that represents any group of the franchisee's or subcontractor's employees who are or will be involved in providing collection services, and with any labor organization that seeks to represent any group of a franchisee's or subcontractor's employees who are or will be involved in providing collection services, under the following limitation:

(1) This Subsection does not require an employer to recognize a particular labor organization.

(2) This Subsection does not require an employer to enter into a collective bargaining agreement establishing the substantive terms and conditions of employment.

(3) This Subsection is not intended to, and shall not be interpreted to, enact or express any generally applicable policy regarding labor/management relations, or to regulate those relations in any way.

(4) This Subsection is not intended to provide a preference for any outcome in the determination of employee preference regarding union representation.

(d) Processing and Disposal.

A Franchisee shall deliver all recyclables and organics collected from commercial establishments and multifamily dwellings exclusively to facilities certified by the City pursuant to Section 66.33.8.

(e) Diversion.

(1) Each franchisee shall provide every customer within its franchise zone a container specifically designated for the collection of recyclables.

(2) Each franchisee shall offer every multifamily dwelling within its franchise zone a container specifically designated for the collection of organics.

(3) All franchise agreements shall require franchisees to meet specific landfill disposal reduction requirements.

(f) Compliance with Living Wage and Responsible Contractor Requirements.

Each franchisee shall comply with all requirements of an "Employer" under the City's Living Wage Ordinance, Los Angeles Administrative Code Section 10.37, et. seq. Each franchise agreement is hereby deemed a "contract" for purposes of the City's Responsible Contractor Program, Los Angeles Administrative Code Section 10.40, et seq., and each franchisee shall comply with all requirements of a "Contractor" thereunder.

(g) Whistleblower Protection.

A franchisee shall not retaliate against an employee who, in good faith, has made a protest or raised a complaint against some practice of the franchisee on the basis of a

reasonable belief that the practice is in violation of any provision of this Article or other applicable laws. A franchisee will not retaliate against an employee who discloses or threatens to disclose to a supervisor or to the City or another public body any activity, policy, or practice of the franchisee that the employee reasonably believes is in violation of this Article or other applicable laws.

SEC. 66.33.7. REVENUE FROM SALE OF RECYCLABLES.

The Bureau and franchisees shall negotiate, and all franchise agreements shall include, provisions addressing revenue sharing from the sale of recyclables by franchisees and processing facilities.

SEC. 66.33.8. CERTIFICATION OF PROCESSING FACILITIES.

(a) The Board may certify for a five-year period facilities to accept solid waste collected by franchisee's providing collection services under a franchise agreement under criteria established by the Bureau and approved by the Board. Facilities shall be inspected by the City prior to certification, and each certification shall be conditioned on the facility granting the City the right to inspect the facility during the period of certification to verify compliance with the terms of certification.

(b) The City may suspend or revoke certification of a facility upon 30 days notice by issuance of a notice of suspension or notice of revocation, if the facility fails to comply with any of the terms and conditions specified in the certification or in this Code, under the process set forth in Section 66.32.3(d).

SEC. 66.33.9. PERMIT REQUIREMENT.

Nothing in Sections 66.33 through 66.33.8 relieves any franchisee from the requirement to obtain and maintain a permit pursuant to Sections 66.32 through 66.32.5 of this Article or any other permit or license otherwise required by law for the provision of such services.

SEC. 66.33.10. SEVERABILITY.

If any part or provision of this Section or the application of this Section to any person or circumstance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, the remainder of this Section, including the application of such part or provisions to other persons or circumstances, shall not be affected by such holding and shall continue in full force and effect, and to this end, the provisions of this Section are severable.

Sec. 32. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles APR 01 2014, and was passed at its meeting of APR 08 2014.

HOLLY L. WOLCOTT, Interim City Clerk

By Holly L. Wolcott
Deputy

Approved 4/18/14

E. Gant

Mayor

Approved as to Form and Legality:

MICHAEL N. FEUER, City Attorney

By M. N. Feuer
JOHN A. CARVALHO
Deputy City Attorney
Date 3/14/14

File No. 10-1797-S16

DECLARATION OF POSTING ORDINANCE

I, MARIA VIZCARRA, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No. 182986 – Citywide Exclusive Franchise System for the Municipal Solid Waste Collection and Handling Program - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on April 8, 2014, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on April 18, 2014 I posted a true copy of said ordinance at each of the three public places located in the City of Los Angeles, California, as follows: 1) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; 2) one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; 3) one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Copies of said ordinance were posted conspicuously beginning on April 18, 2014 and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this 18th day of April, 2014 at Los Angeles, California.



Maria Vizcarra, Deputy City Clerk

Ordinance Effective Date: May 28, 2014
Rev. (2/21/06)

Council File No. 10-1797-S16

EXHIBIT 2

Request For Proposals:



City-Wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling



Prepared by
Bureau of Sanitation



Solid Resources Citywide Recycling Division

Enrique C. Zaldivar, Director

Alexander E. Helou, Assistant Director

Karen A. Coca, Division Manager

Daniel K. Meyers, Assistant Division Manager

June 11, 2014

LADAVIN

Exhibit 2
2-1

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Attachment N – Iran Contracting Act of 2010

Appendix 8 - Proposal Checklist

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ARTICLE 1 - GENERAL INFORMATION

1.1 ARTICLE HEADINGS

The article headings presented herein shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of this document.

Definitions

TABLE 1-1
DEFINITIONS AND ABBREVIATIONS

| Terms | Definition |
|-------------------------------|---|
| 1-800-773-CITY CALL CENTER | The 1-800-773-CITY, is SANITATION's call center accepting calls on a variety of SANITATION related services. |
| AB 32 | Assembly Bill 32, The State of California Global Warming Solutions Act of 2006; for more information go to http://www.arb.ca.gov/cc/ab32/ab32.htm . |
| AB 939 | Assembly Bill 939 (Chapter 1095, Statutes of 1989) is also known as the Integrated Waste Management Act. It created the California Integrated Waste Management Board, now known as CalRecycle. AB 939 required each jurisdiction in the state to submit detailed solid waste planning documents for CalRecycle approval and set DIVERSION requirements of 25 percent by 1995 and 50 percent by 2000. AB 939 established a comprehensive statewide system of permitting, inspections, enforcement, and maintenance for solid waste facilities, and it authorized local jurisdictions to impose fees based on the types or amounts of solid waste generated. A more detailed description of the Integrated Waste Management Act is found at the CalRecycle Web site (http://www.calrecycle.ca.gov/Laws/Legislation/CalHist/1985to1989.htm). |
| AB 939 COMPLIANCE PERMIT | A permit issued to PERMITTED HAULERs under the provisions of subsection (a) of Section 66.32.1 (of the Los Angeles Municipal Code). |
| AB 939 FEE | AB939 Compliance fee of 10 percent of the SOLID WASTE component of GROSS RECEIPTS |
| ACD | Automated Call Distribution |
| ACH | Automated Clearing House (ACH) is an electronic network for financial transactions. ACH credit transfers include direct deposit payroll and vendor payments. ACH direct debit transfers include consumer payments on a full range of consumer bills. |
| AGREEMENT/CONTRACT | The contractual agreement between the CITY and the selected PROPOSER. |
| BAVN | The City of Los Angeles' Business Assistance Virtual Network, available at http://labavn.org/ |
| BCA | The City of Los Angeles, Bureau of Contract Administration; for more information, go to http://bca.lacity.org/index.cfm |
| BID | Business Improvement District(s) as designated by the City of Los Angeles. |
| BIP | City of Los Angeles' Business Inclusion Program. It is the policy of the CITY to provide Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), Small Business Enterprises (SBEs), Emerging Business Enterprises (EBEs), Disabled Veteran Business Enterprises (DVBEs), and all Other Business Enterprises (OBEs) an equal opportunity to participate in the performance of CITY contracts, on the CITY's web site, LABAVN.org. |
| BLACK BIN | Black or grey CONTAINERs of any size used for the collection of SOLID WASTE |

TABLE 1-1
DEFINITIONS AND ABBREVIATIONS

| Terms | Definition |
|--------------------------|--|
| BLUE BIN | Blue recycling CONTAINERs of any size used for the collection of COMMINGLED RECYCLABLES. |
| BOARD | The City of Los Angeles' Board of Public Works |
| BROWN BIN | Brown CONTAINERs of any size used for the collection of manure. |
| BUNDLED FRANCHISE ZONES | Combinations of FRANCHISE ZONES, designated by the CITY for which PROPOPERs may submit bids |
| CALENDAR DAY | Each day beginning at 12:01 AM and ending twenty-four (24) hours thereafter at 12:00 AM midnight. |
| CalOSHA | California State Occupational Safety and Health Administration; for more information, go to http://www.dir.ca.gov/dosh/ |
| CalRECYCLE | The Department of Resources Recycling and Recovery of the State of California. CalRECYCLE is the State's regulatory agency on solid waste management. |
| CEC | City of Los Angeles' City Ethics Commission |
| CITY | The City of Los Angeles, Board of Public Works or its subordinate Bureaus. Depending on the context in which it is used, the term City may also refer to the geographic area known as the City of Los Angeles, the City Council, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles who is authorized to represent the City of Los Angeles in manners concerning this document. |
| CITY COUNCIL | Los Angeles City Council |
| CITY PROJECT MANAGER | The CITY's designated representative for all issues related to this CONTRACT. |
| CLARTS | Central Los Angeles Recycling and Transfer Station |
| CLASS III LANDFILL | A landfill used for the disposal of nonhazardous solid waste. In accordance with Title 27 California Code of Regulations Section 20310, CLASS III LANDFILL shall have containment structures which are capable of preventing degradation of waters of the state as a result of waste discharges to the landfills if site characteristics are inadequate. |
| CLEAN FUEL VEHICLE | Alternative-fuel solid resources heavy-duty collection vehicle as defined by the South Coast Air Quality Management District (SCAQMD) Rule 1193. |
| COLLECTION SERVICES | Shall mean the collection, transportation and delivery for processing or disposal of solid waste from COMMERCIAL ESTABLISHMENTS. |
| COMMERCIAL ESTABLISHMENT | All industrial, retail, wholesale, services, restaurant, hotel, motel, institutional and other premises, which are subject to the existing City of Los Angeles AB 939 COMPLIANCE PERMIT and FRANCHISE SYSTEM regulating the collection and management of SOLID RESOURCES. COMMERCIAL ESTABLISHMENTs shall not include CUSTOMERS that receive SOLID RESOURCES services from the CITY. For purposes of this RFP for the Exclusive Commercial FRANCHISE SYSTEM, a MULTIFAMILY ESTABLISHMENT is a COMMERCIAL ESTABLISHMENT. |
| COMMINGLED RECYCLABLES | Material that has been SOURCE-SEPARATED or kept separate from any other waste stream at the point of generation, for the purpose of additional sorting or processing the material before recycling or reuse, which enables the return of the material to the economic mainstream in the form of raw material for new, reused, or reconstituted products that meet the quality standards necessary to be used in the marketplace. COMMINGLED RECYCLABLES do not include CONSTRUCTION AND DEMOLITION DEBRIS (defined below). |
| COMPACTOR | A large sealed CONTAINER that allows for compaction of SOLID RESOURCES that can then be loaded onto a collection vehicle. |

TABLE 1-1
DEFINITIONS AND ABBREVIATIONS

| Terms | Definition |
|--|--|
| CONSTRUCTION AND DEMOLITION (C&D) DEBRIS | The material stream that results directly from construction, remodeling, repair, demolition, or deconstruction of buildings and other structures, does not contain HAZARDOUS WASTE, and contains no more than one percent putrescible wastes by volume, calculated on a monthly basis. |
| CONTAINER | Bins used for collection of SOLID RESOURCES that are emptied at the CUSTOMERS' premises into a collection vehicle during collection. |
| CONTRACT | (See AGREEMENT/CONTRACT) |
| CONTRACT PROJECT MANAGER | The PROPOSER's, designated representative for all issues related to this RFP. |
| CONTRACTOR | The PROPOSERs selected for contract award by the CITY through the evaluation process. |
| CUSTOMER | Any COMMERCIAL ESTABLISHMENT and/or MULTIFAMILY ESTABLISHMENT served by the CONTRACTOR under the FRANCHISE SYSTEM. |
| CUSTOMER RESPONSE FIELD SERVICES | Non-collection activities provided to assist in safe and efficient collection, such as route supervision, waste audits, CUSTOMER training, on-site inspections, etc. |
| DIVERSION | The combined efforts of waste prevention, reuse, recycling, and recovery practices. |
| ELECTRONIC WASTE (E-WASTE) | As defined in California Electronic Waste Recycling Act of 2003, SB20, electronic waste is loosely applied to consumer and business electronic equipment that is near or at the end of its useful life. Examples include but are not limited to computers, televisions, computer monitors, VCRs, stereos, copiers, and fax machines. |
| EMR | Experience Modification Rate (EMR) is a guide used by private industry to evaluate overall quality of a company and its commitment to safety. It is calculated by comparing a company's actual losses to industry average losses in a specific industry classification. No matter the industry, the national average is 1.0. The lower the EMR, the lower the company's risk compared to other firms in the same industry. |
| EXTRA SERVICES | Services provided, that are not included in the base service fee, such as lid lockable CONTAINERs, listed in Table 2.3, Extra Collection Services and Associated Fees. |
| FEMA | Federal Emergency Management Agency |
| FRANCHISE FEE | Negotiated CONTRACTOR fee, |
| FRANCHISE SYSTEM | The project as described in this document, for a CITY-wide exclusive franchise system for the collection and handling of SOLID RESOURCES, known as ZERO WASTE LA. |
| FRANCHISE ZONE | <p>Any of the eleven (11) geographic regions defined in Figure 1-2 of this RFP</p> <p>WV – West Valley NEV – North East Valley SEV – South East Valley WLA – West Los Angeles NC – North Central NE – North East SLA – South Los Angeles HB - Harbor DT – Down Town EDT – East Down Town SE – South East</p> |

TABLE 1-1
DEFINITIONS AND ABBREVIATIONS

| Terms | Definition |
|--|---|
| GHG | Greenhouse Gas |
| GPS | Global Positioning System |
| GREEN BIN | Green CONTAINERs of any size used for the collection of ORGANICS |
| GROSS RECEIPTS | Those receipts defined under GROSS RECEIPTS in Los Angeles Municipal Code Section 21.00(a) as generated by the collection of SOLID RESOURCES including, but not limited to service, covered container rental, disposal, and processing charges. |
| HAZARDOUS WASTE | Any waste material which is toxic, corrosive, flammable, an irritant, a strong sensitizer or which generates pressure through decomposition, heat, or other means, if such a waste may cause substantial injury, serious illness or harm to humans, domestic livestock or wildlife. |
| HOLIDAYS | New Year's Day, Independence Day, Thanksgiving, Christmas Day and other holidays officially designated and observed as such by the CITY |
| IT | Information Technology |
| LARWQCB | Los Angeles Regional Water Quality Control Board; for more information go to http://www.swrcb.ca.gov/rwqcb4/ . |
| MANDATORY COMMERCIAL RECYCLING (MCR) | Assembly Bill (AB) 341 of 2011, as modified by, but not limited to, AB1398 of 2013, which, among other actions, requires commercial businesses to subscribe to a recycling service beginning July 2012. AB 341 also requires CalRecycle to submit a report to the Legislature with a plan for reaching a statewide 75 percent DIVERSION rate by 2020. For more information, please see: CalRecycle's website at http://www.calrecycle.ca.gov/recycle/commercial/ |
| MEDICAL/BIOMEDICAL WASTE | Biohazards waste or sharps waste that has been generated during the diagnosis, treatment or immunization of human beings or animals, in research pertaining thereto, in the production or testing of biologicals, or which may contain infectious agents, those organisms classified as Biosafety Level II, III, or IV by the Federal Centers for Disease Control and Prevention and may pose a substantial threat to health. |
| MULTIFAMILY ESTABLISHMENT/ MULTIFAMILY | Any single property, building or structure that contains multiple residential dwelling units as defined in the ORDINANCE. For purposes of this RFP for an Exclusive Commercial FRANCHISE SYSTEM, a MULTIFAMILY is a COMMERCIAL ESTABLISHMENT. For purposes of this RFP customers receiving Solid Resources collection service provided by the CITY are not MULTIFAMILY/COMMERCIAL ESTABLISHMENTS |
| NOISE ORDINANCE | The Section of the CITY's Municipal Code pertaining to noise levels in the CITY. For more information, go to http://www.nonoise.org/lawlib/cities/losangel.htm |
| OCC | The City of Los Angeles' Bureau of Contract Administration, Office of Contract Compliance |
| ORGANICS | The compostable materials that are SOURCE-SEPARATED from other waste streams and placed in a CONTAINER for collection. ORGANICS may include, but are not limited to, grass, leaves, tree branches, clean wood free of paint, nails or any treatment, food scraps, food soiled boxes and paper. |
| OSHA | Occupational Safety and Health Administration. For more information, go to https://www.osha.gov/ |
| PERFORMANCE SECURITY BOND | A performance bond commitment letter or a letter stating that the PROPOSER will guarantee a letter of credit in accordance with the CONTRACT. |

TABLE 1-1
DEFINITIONS AND ABBREVIATIONS

| Terms | Definition |
|-------------------------------|--|
| PERMITTED HAULER | Any person or entity engaged in the business of providing, or who is responsible for the collection, removal, or transportation of SOLID RESOURCES (including CONSTRUCTION AND DEMOLITION DEBRIS, SOURCE-SEPARATED materials, SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS) generated within the CITY, with a CITY permit to do so. |
| PHARMACEUTICAL WASTE | Prescription and over-the-counter drugs, except all drugs that fall within the definition of HAZARDOUS WASTE by the Resource Conservation and Recovery Act (RCRA) or the California Radiation Control Law (RCL). |
| PROCESSING FACILITY | A facility used to receive, sort, process, bale, store, and otherwise recover material for reuse, or prepare commingled and SOURCE-SEPARATED recyclable materials, including ORGANICS, for sale to other processors or manufacturers. |
| PROPOSER | A vendor who has submitted a proposal for evaluation in response to this Request for Proposals (RFP) for the FRANCHISE SYSTEM. |
| RADIOACTIVE WASTE | Any waste containing radioactive material |
| RECOVERY RATE | The RECOVERY RATE of materials brought to a PROCESSING FACILITY from any source, will define the facility's recycling rate for the relevant waste stream applied to the amount of the materials processed that were generated within the CITY. |
| RFP | This Request for Proposals |
| ROLL OFF (DROP BOX) CONTAINER | A large, portable, open-top metal CONTAINER for the collection of SOLID RESOURCES, typically 10 cubic yards or larger. |
| RULE 1193 | Rule 1193 of the SCAQMD, which regulates refuse collection vehicles within the SCAQMD jurisdictional area. For more information, go to http://www.aqmd.gov/tao/FleetRules/1193Refuse/index.htm |
| SANITATION | The City of Los Angeles' Bureau of Sanitation; for more information, go to http://san.lacity.org/ |
| SCAQMD | South Coast Air Quality Management District; for more information, go to http://www.aqmd.gov/Default.htm |
| SOLID RESOURCES | The materials generated which include COMMINGLED RECYCLABLES (BLUE BIN), ORGANICS (GREEN BIN), and SOLID WASTE (BLACK BIN) materials, as well as and source-separated material, in the City of Los Angeles. For purposes of this RFP, SOLID RESOURCES includes only materials generated at COMMERCIAL ESTABLISHMENTS. |
| SOLID WASTE | Residual waste that the Department of Resources Recycling and Recovery (CalRECYCLE) has deemed acceptable for disposal at a CLASS III LANDFILL, and does not include SOURCE-SEPARATED material, COMMINGLED RECYCLABLES, or ORGANICS. For purposes of this document, residual SOLID WASTE does not include CONSTRUCTION AND DEMOLITION DEBRIS or other exempt wastes. |
| SOURCE-SEPARATED | Segregation of individual components of SOLID RESOURCES into separate containers for the purposes of recycling such components. |
| SUBCONTRACTOR | Any contractor, supplier, or vendor who is subcontracted by the selected PROPOSER to work on this CONTRACT. |
| TARE WEIGHT | The weight of an empty collection vehicle, or container. TARE WEIGHT is deducted from gross weight to obtain the net weight or gross tons of the delivered SOLID RESOURCES. |

TABLE 1-1
DEFINITIONS AND ABBREVIATIONS

| Terms | Definition |
|------------------|--|
| TRANSFER STATION | A facility which receives, handles, separates, converts, or otherwise processes SOLID RESOURCES, whose activities are governed by the Registration Permit tier or Full Solid Waste Facility Permit requirements. Such facilities typically transfer SOLID RESOURCES directly from one container to another, from one vehicle to another for transport, or temporarily store SOLID RESOURCES prior to being taken to a processing facility, or for final disposal at a CalRECYCLE-permitted landfills or transformation facility. |
| UNIVERSAL WASTE | As defined by California Universal Waste Rule, the California Department of Toxic Substances Control (DTSC) Number R-97-08, UNIVERSAL WASTE is a category of HAZARDOUS WASTE that includes batteries, fluorescent lamps, electronic devices, instruments that contain mercury, and others. UNIVERSAL WASTE may not be discarded in CLASS III LANDFILLS. Beginning February 9, 2006, the DTSC deemed that UNIVERSAL WASTE generated by small generators including households shall be taken to a household HAZARDOUS WASTE collection facility or other authorized UNIVERSAL WASTE handler. |
| VMT | Vehicle Miles Traveled |
| WHITE GOOD | Discarded major appliances of any color. These items are often enamel-coated. Examples include but are not limited to washing machines, clothes dryers, hot water heaters, stoves, and refrigerators. |
| ZERO WASTE | 90% DIVERSION of SOLID RESOURCES from CLASS III LANDFILLS by 2025. |

1.2 INTRODUCTION

1.2.1 BACKGROUND

The City of Los Angeles' (CITY) Bureau of Sanitation (SANITATION), was directed by the CITY COUNCIL on November 14, 2012, to develop an implementation plan for the Exclusive Commercial and Multifamily Solid Waste Franchise System (FRANCHISE SYSTEM) for the collection, diversion and disposal of SOLID RESOURCES. On April 24, 2013 the CITY COUNCIL approved SANITATION's FRANCHISE SYSTEM recommendations from the Energy and Environment and the Ad Hoc on Waste Reduction and Recycling Committees' Report and adopted the "Final Implementation Plan for Exclusive Commercial and Multifamily Franchise Hauling System," as amended. On April 8, 2014, the CITY COUNCIL certified the Final EIR and adopted the Ordinance for the FRANCHISE SYSTEM, and on April 15, 2014, the MAYOR signed the Ordinance (C.F.10-1797-S15).

Sixty-nine (69%) percent of the SOLID RESOURCES generated within the CITY is generated at COMMERCIAL ESTABLISHMENTS (which includes MULTIFAMILY ESTABLISHMENTS). Figure 1-1 shows the estimated composition of the SOLID RESOURCES disposed by COMMERCIAL ESTABLISHMENTS under the current system.

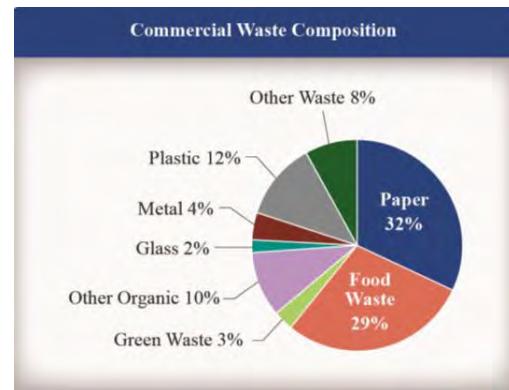


FIGURE 1-1
Commercial Waste Composition

This Request for Proposals (RFP) provides the opportunity for SOLID RESOURCES collection companies to submit proposals for ten-year AGREEMENTs with the CITY to be the exclusive provider of SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS collection, transfer, processing and disposal services in one or more of the FRANCHISE ZONEs defined by the CITY. The CITY has established eleven (11) FRANCHISE ZONEs, three (3) of which are “small” in order to create opportunities for smaller private collection companies to compete for AGREEMENTs.

Articles 2 to 7 describe the requirements for proposals to be deemed responsive including specific format and content and the criteria that will be used to evaluate proposals. Instructions for responding to the RFP are provided in Appendix 1.1.

1.2.2 OBJECTIVES OF THE RFP PROCESS

The primary objectives of this RFP process are to:

- Ensure that equitable services, at reasonable rates are available in the CITY;
- Ensure the Franchise System contributes to the City’s Environmental and Sustainability efforts;
- Identify processes so that the CITY’s recycling rate and landfill diversion rates increase over time in order to achieve ZERO WASTE by 2025;
- Identify CONTRACTORs to provide highest levels of customer service and satisfaction; and
- Provide recycling services to MULTIFAMILY and COMMERCIAL ESTABLISHMENTS.

Successful PROPOSERs will demonstrate the ability to successfully implement and execute the terms of a FRANCHISE AGREEMENT throughout the term of an AGREEMENT. The City will be looking for innovation in every portion of a PROPOSERs proposal.

1.2.3 GENERAL PROJECT DESCRIPTION

The CITY is requesting proposals from SOLID RESOURCES collection companies to provide SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS collection, transfer, disposal and processing services to COMMERCIAL ESTABLISHMENTS (which includes businesses and MULTIFAMILY ESTABLISHMENTS) in the CITY. The CITY intends to enter into negotiations with selected PROPOSERs with the goal to enter into exclusive AGREEMENTs with the CITY which give each PROPOSER the exclusive right to provide the services described in this RFP. The following sections describe the services that each CONTRACTOR will be required to provide. It is the CITY’s desire to begin servicing COMMERCIAL ESTABLISHMENTS in January 2017.

1.2.3.1 MAJOR ELEMENTS OF THE SYSTEM

The CITY’s FRANCHISE SYSTEM will include the following major elements:

1. **Ten-Year (10) AGREEMENTs with Two, Five-Year Renewal Options:** Successful PROPOSERs will enter into ten (10) year AGREEMENTs with the CITY, which will give them the right to be the sole provider of services described in this RFP in the FRANCHISE ZONEs stipulated in the AGREEMENT. At the CITY’s sole discretion, any or all of these AGREEMENTs may be extended for up to two (2) additional five (5)-year terms.

2. Eleven (11) Exclusive FRANCHISE ZONES: The CITY has defined eleven (11) FRANCHISE ZONES, each of which will be served by one CONTRACTOR upon implementation of the FRANCHISE SYSTEM. Three (3) FRANCHISE ZONES (Downtown, East Downtown, and Southeast L.A.) have substantially fewer accounts than the other eight. This provides opportunities for smaller collection companies to submit proposals that are appropriate for the scale of their operations. A map of these FRANCHISE ZONES is provided in Figure 1-2.
3. Services Provided in a Consistent Manner throughout the CITY: One objective of the FRANCHISE SYSTEM is that services be provided consistently throughout the CITY. For example, the CITY will require that all CUSTOMERS receive a base (i.e., minimum) level of COMMINGLED RECYCLABLES collection bundled together with the SOLID WASTE collection.
4. High Level of Customer Service: The CITY will require that CONTRACTORS provide a high level of customer service and be held to specific performance standards for metrics such as missed collections, and wait times for CUSTOMERS that call with billing issues or calls generated from SANITATION's CALL CENTER. CONTRACTORS will be required to have customer services systems compatible with state of the art technologies, including web based tools and mobile applications to allow CUSTOMERS, in real time 24 hours per day, 7 days per week, to report a missed collection, make a service request, CONTAINER repair or address other customer service related needs. A CONTRACTOR's failure to meet these minimum performance standards will result in liquidated damages and, should poor performance fail to be corrected, jeopardize that CONTRACTOR's AGREEMENT. Performance standards and associated liquidated damages for non-performance are described in Section 2.6.1 and 2.4.8.
5. Ongoing Outreach and Education to Customers: The CONTRACTOR will be required to submit and implement an outreach and education plan, with elements encompassing both CITY-wide program elements as well as direct CUSTOMER contact, and continuing throughout the term of the AGREEMENT. CITY-wide Outreach and Education will be directed and designed by the CITY for implementation by the CONTRACTOR.
6. Support for the CITY's ZERO WASTE Goals: The CITY will require the CONTRACTOR to meet DIVERSION standards over the ten-year term of the CONTRACTOR's AGREEMENT. A CONTRACTOR's failure to meet these DIVERSION standards will result in liquidated damages. A poor DIVERSION standards compliance record may jeopardize that CONTRACTOR's AGREEMENT. DIVERSION standards and associated penalties are described in Section 2.4.8.
7. AB 939 FEE: AGREEMENTs shall include the AB 939 FEE of 10 percent of the SOLID WASTE portion of GROSS RECEIPTS paid to the CITY quarterly.
8. FRANCHISE FEE: AGREEMENTs shall include a proposed FRANCHISE FEE.
9. Phasing in ORGANICS Collection: The CITY seeks to expand ORGANICS collection over the term of the AGREEMENTs. Initially the CONTRACTOR will continue to provide food waste collection and processing service to approximately 846 CUSTOMERS in various parts of the CITY that currently receive those services and must provide these services to COMMERCIAL ESTABLISHMENTS that request food waste collection. Additionally, CONTRACTORS will be required to continue providing ORGANICS collection and processing to CUSTOMERS that are

currently receiving yard trimmings collection service. CONTRACTOR shall actively encourage participation in ORGANIC DIVERSION. Ultimately ORGANIC recycling shall be provided to all COMMERCIAL ESTABLISMENTS that produce ORGANICS. PROPOSERs shall provide a plan for expanding organics service in response to this RFP.

10. Service Day(s) for SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS: CONTRACTORs will be required to provide collection of SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS according to the CUSTOMER's needs. The CUSTOMER's collection frequency for all SOLID RESOURCES shall be a least once per week. Residual materials will be collected in BLACK BINS for SOLID WASTE after SOURCE SEPARATION, BLUE BINS for COMMINGLED RECYCLABLES and GREEN BINS for ORGANICS. CUSTOMERS' CONTAINERs may be collected on the same day or different days of the week, depending on the CUSTOMER's needs. ORGANICS collection shall be provided to the CUSTOMER based on CUSTOMER request.
11. EXTRA SERVICES Provided at Pre-established Rates: The CITY will require CONTRACTORs to charge the same unit prices for EXTRA SERVICES (e.g., container cleaning services, extra collections, etc.), and apply these charges in a consistent manner throughout the CITY. The CITY has developed a price schedule for these EXTRA SERVICES that is presented in Section 2.4.1.4, Table 2-3. PROPOSERs should use this price schedule for purposes of developing their cost proposal. The CITY will not consider alternative proposals for price schedules for extras. Any services required that do not appear on the EXTRA SERVICES price schedule are to be included by the PROPOSER in their costs for service.
12. Clean Air Vehicle Requirements: The CITY will require all vehicles providing COLLECTION SERVICES to be certified under the SCAQMD Low Emission Vehicle (LEV) clean fuel program and the CONTRACTORs shall utilize late model vehicles (less than 8 years old) to take advantage of new technologies, reduce greenhouse gas (GHG) production in the CITY and reduce localized impacts to neighborhoods, as described in Section 2.4.3.
13. The CITY Will Serve as the First Point of Contact for CUSTOMER Calls: SANITATION's CALL CENTER (1-800-773-CITY) will serve as the first point of contact for CUSTOMER complaints, service requests and informational inquiries. The CITY will require CONTRACTORs to interface timely and smoothly with SANITATION and SANITATION's CALL CENTER and respond to CUSTOMER calls according to specific performance standards.
14. CUSTOMER Billing: CONTRACTORs shall provide all billing and payment collection activities for the FRANCHISE ZONEs they are awarded. Customer service, billing and payment collection requirements are described in detail within Article 2.3.
15. A Review of Each CONTRACTOR's Performance in the Fifth Year: The CITY will conduct a review of each CONTRACTOR's performance following the fifth (5th) year of the term of the AGREEMENT. The review will assess the adequacy of the CONTRACTOR's performance over the first five (5) years of the AGREEMENT in relation to the service related performance requirements, DIVERSION Plan targets, and other measurable elements of performance included in the AGREEMENT.
16. Plans that Ensure a Smooth Transition to the FRANCHISE SYSTEM: Each PROPOSER shall submit a detailed transition plan for each FRANCHISE ZONE or BUNDLED FRANCHISE

ZONEs that addresses, among other things, how the PROPOSER will provide a smooth transition of service accounts from previous service providers, how the PROPOSER will procure CONTAINERs for CUSTOMER needs (e.g., by purchasing existing CONTAINERs from existing service providers, or purchasing new CONTAINERs) and how the PROPOSER will perform outreach and education about the transition process, new services and service levels available, etc. Each CONTRACTOR that is awarded a FRANCHISE ZONE will be required to participate in a joint CITY-CONTRACTOR transition team prior to and after implementation that will be charged with providing a smooth transition to the FRANCHISE SYSTEM.

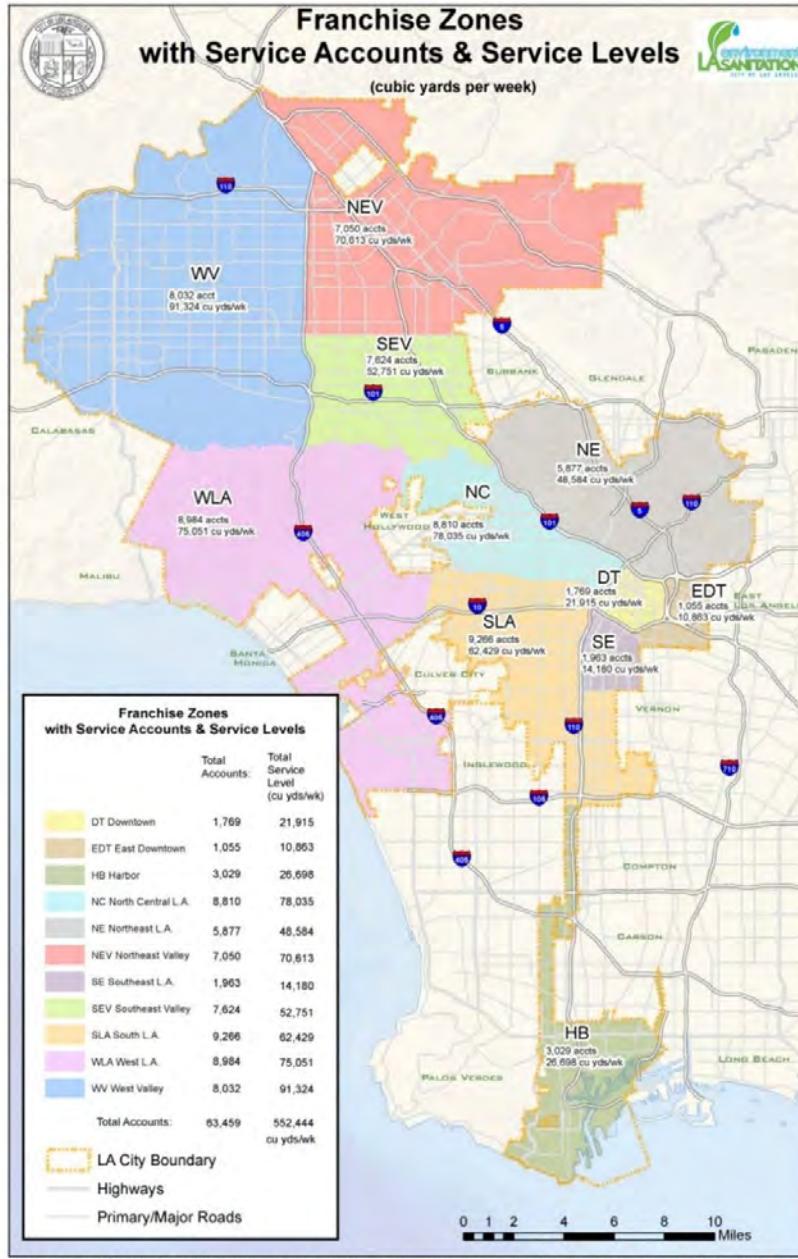


FIGURE 1-2
Franchise Zone Map

1.2.3.2 DESCRIPTION AND MAP OF FRANCHISE ZONES

The map in Figure 1-2 shows the eleven (11) FRANCHISE ZONEs that will comprise the CITY's FRANCHISE SYSTEM. The map also includes information about the estimated number of combined MULTIFAMILY and COMMERCIAL ESTABLISHMENT accounts in each FRANCHISE ZONE, as well as the estimated total number of cubic yards of SOLID WASTE collected per week in each zone. These figures are based on data provided by PERMITTED HAULERs collecting in the CITY as of July 2013; the CITY does not guarantee the accuracy of the data.

Table 1-2 below presents the same account data displayed on the map in tabular format.

TABLE 1-2
FRANCHISE ZONE ACCOUNT DATA

| FRANCHISE ZONE | Total Service Locations | Percent of total based on Service Locations | Total Cubic Yards of Service per week |
|----------------|-------------------------|---|---------------------------------------|
| WV | 8,032 | 13% | 91,324 |
| NEV | 7,050 | 11% | 70,613 |
| SEV | 7,624 | 12% | 52,751 |
| WLA | 8,984 | 14% | 75,051 |
| NC | 8,810 | 14% | 78,035 |
| NE | 5,877 | 9% | 48,584 |
| SLA | 9,266 | 15% | 62,429 |
| HB | 3,029 | 5% | 26,698 |
| DT | 1,769 | 3% | 21,915 |
| EDT | 1,055 | 2% | 10,863 |
| SE | 1,963 | 3% | 14,180 |
| TOTAL: | 63,459 | | 552,444 |

1.2.3.3 ADDITIONAL INFORMATION AND DATA FOR EACH FRANCHISE ZONE

A more detailed street level map for the FRANCHISE ZONEs is provided in Appendix 1.2.

Certain FRANCHISE ZONEs and access routes of the CITY have special traffic considerations and restrictions. It is incumbent upon each PROPOSER, including their SUBCONTRACTORS, to thoroughly research each FRANCHISE ZONE for which they propose. It is the sole responsibility of the PROPOSER to review and account for collection constraints of any kind that will impact their proposal.

1.3 FRANCHISE ZONES FOR AWARD

Table 1-3 below describes the FRANCHISE ZONEs and combinations of FRANCHISE ZONEs for which a PROPOSER may submit proposals. If a PROPOSER chooses to propose on more than one FRANCHISE ZONE, and/or BUNDLED FRANCHISE ZONEs the PROPOSER will

need to submit a master proposal, with elements that are universal to all zones, in addition to zone specific proposals for elements such as the cost proposal and other zone-specific elements as detailed in the proposal forms provided in the appendices. Article 3 describes the proposal format and requirements in more detail. No PROPOSER will be awarded more than 49 percent of all accounts. If a PROPOSER is awarded one of the three (3) smaller zones (DT, EDT, or SE) it will not be awarded any of the other ten (10) FRANCHISE ZONES.

TABLE 1-3
FRANCHISE ZONES FOR AWARD

| Zones for Award | Description |
|--|---|
| Individual Zones (WV, NEV, SEV, WLA, NC, NE, SLA, HB, DT, EDT, SE) | PROPOSERS may submit proposals for each of the eleven (11) FRANCHISE ZONES; there is no restriction on how many FRANCHISE ZONE for which PROPOSERS may submit proposals. If a PROPOSER is awarded one of the three (3) smaller zones (DT, EDT, or SE) it will not be awarded any of the other ten (10) zones. |
| BUNDLED FRANCHISE ZONES Designated by the CITY: Bundle 1 – HB, SLA and WLA Bundle 2 – HB, NC, NE, and WLA Bundle 3 – WLA and WV | In addition to submitting proposals for an individual FRANCHISE ZONE, a PROPOSER may submit proposals for any or all of these three (3) BUNDLED FRANCHISE ZONES designated by the CITY. If a PROPOSER submits one or more BUNDLED FRANCHISE ZONE proposals, it shall submit individual proposals for each of the FRANCHISE ZONES within its proposed BUNDLED FRANCHISE ZONE. |
| BUNDLED FRANCHISE ZONES SELECTED BY THE PROPOSER | In addition to the BUNDLED FRANCHISE ZONES designated by the CITY, the PROPOSER may propose one other BUNDLED FRANCHISE ZONE consisting of FRANCHISE ZONES of its choosing. This BUNDLED FRANCHISE ZONES may not include any of the three (3) SMALL ZONES (DT, EDT, or SE). |

ARTICLE 2 - SCOPE OF SERVICES

This RFP is seeking proposals for providing collection, transfer, processing and disposal services for SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS from COMMERCIAL ESTABLISHMENTS, as defined in this RFP. This Article describes the scope of services, which the CITY expects CONTRACTORS to perform. PROPOSERs should carefully review all Articles of the RFP and its appendices, and perform their own due diligence for the FRANCHISE ZONES for which they plan to propose. CONTRACTORS will be required to demonstrate how they plan to provide these services. Article 3 describes in more detail the specific requirements that should be included in proposals, proposal organization and how to submit questions related to the RFP. Article 4 provides an explanation of evaluation criteria that will be applied to proposals, and other related information.

PROPOSERs should read this Article and attachments carefully to ensure a full understanding of the CITY's requirements.

2.1 EXCLUDED FROM THE FRANCHISE SYSTEM

The following wastes are excluded from the FRANCHISE SYSTEM.

- MEDICAL WASTE
- HAZARDOUS WASTE
- RADIOACTIVE WASTE
- PHARMACEUTICAL WASTE
- CONSTRUCTION AND DEMOLITION DEBRIS (C&D)
- All recyclable materials SOURCE-SEPARATED from SOLID WASTE by the owner and/or operator of the premises from which the SOLID WASTE was generated, whereby the generator of the waste sells or is otherwise compensated by a collector of the recyclable materials in a manner resulting in a net payment to the owner and/or operator.
- Recyclable materials and ORGANICS that are SOURCE-SEPARATED at the premises by the owner and/or operator of the premises and donated.
- Yard waste removed from a site as incidental to a landscaping business.
- Other specialty waste as designated by the CITY (e.g., biosolids, fats, oils, and grease, electronics, UNIVERSAL WASTE, etc.)
- Bulky Items collected from MULTIFAMILY ESTABLISHMENTS subject to the Multi-Family Bulky Item Fee (BIF) as defined in Section 66.41(c)

Federal, State and County facilities may choose to receive SOLID RESOURCES collection, disposal and processing services under non-FRANCHISE SYSTEM arrangements. However, collection, disposal and processing shall be performed in compliance with CITY, State and Federal law.

Institutional and residential customers, including multifamily establishments, that receive CITY collection services, are not part of the FRANCHISE SYSTEM.

2.2 INCLUDED IN THE FRANCHISE SYSTEM

The FRANCHISE SYSTEM includes all SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS (i.e., green waste and food waste) placed out for collection at COMMERCIAL ESTABLISHMENTS within the CITY limits. All CUSTOMERS are required to subscribe, at a minimum, to once-per-week collection of SOLID WASTE and COMMINGLED RECYCLABLES collection using the CONTRACTOR serving the applicable FRANCHISE ZONE. CONTRACTORS will be required to maintain an AB 939 COMPLIANCE PERMIT from the CITY.

2.3 CUSTOMER SERVICE, OUTREACH AND EDUCATION/TRAINING

Customer service and communication is a critical part of the CITY's FRANCHISE SYSTEM. The CITY will be the first point of contact for CUSTOMER inquiries. It is the intention of the CITY that all forms of communication, including internet and mobile device applications, will be utilized to record and respond to CUSTOMER needs. SANITATION's CALL CENTER will receive all CUSTOMER calls at 1-800-773-CITY and route the inquiry to the appropriate CONTRACTOR, as necessary, for prompt resolution as prescribed by CONTRACTOR performance standards (see Section 2.4.8).

The following sections describe the customer service, billing and payment requirements that CONTRACTORS are expected to meet. Table 2-7, Performance Standards and Liquidated Damages, presents the liquidated damages that CONTRACTORS will be subject to for failing to meet certain performance standards.

2.3.1 CUSTOMER SERVICE BUSINESS PROCESSES AND CAPABILITIES

Each CONTRACTOR will be required to perform the following customer service related activities:

- Maintain a fully staffed call center, at the CONTRACTOR'S facility, open 24 hours, 7 days per week to receive and resolve all CUSTOMER inquiries and service complaints. Each CONTRACTOR must provide a web site specifically for providing service for the CITY's FRANCHISE SYSTEM. This web site shall include on-line billing services, account set up and closing functionality, complaint reporting forms, service request forms, information regarding rates and service options, and programmatic information to be determined by the CITY, and be linked to the CITY's web site.
- CONTRACTOR'S call center Telephony system that will provide reporting on:
 - Percentage of calls answered within specified period of time (after the call is transferred from the CITY's call center to CONTRACTOR's call center)
 - Percentage of calls/chat sessions directed to call center staff where the customer disconnects before being responded to
 - Amount of time it takes the Call Center Staff to complete a customer support call/session, including all documentation
 - Average amount of time required to pick up a call
 - Average amount of time callers spend in agent-induced hold

- Percent of logged in time spent in a “work” state (for calls, a work state is generally talk and after call work time)
- Average amount of time it takes to respond to a non-real time contact (web, email , etc.)
- Total number of contacts received for processing per day
- Answer referred calls from SANITATION’s CALL CENTER within four (4) rings, for at least 95 percent of total calls received.
- Respond to CUSTOMER complaints, service requests and other CUSTOMER inquiries transmitted by mobile devise applications to be developed specifically with the CITY to support FRANCHISE SYSTEM customer service.
- Participate in the execution of programs, as the CITY deems necessary, to acknowledge and reward CUSTOMERS that implement innovative strategies to meet the CITY’s ZERO WASTE goals.
- Maintain an adequately staffed CUSTOMER RESPONSE FIELD SERVICES function to address customer service issues promptly, without involvement of CITY staff.
- Participate in any business process development and training required to effectively execute all customer service related activities requiring CITY and CONTRACTOR involvement.
- Provide accurate monthly and annual reporting of CONTRACTOR service performance; the format for this report will be established by the CITY.
- Meet or exceed all customer service performance standards (Table 2-7), including standards required to meet the needs of CUSTOMERS with unique or special needs as described in Section 2.4.4
- CONTRACTOR shall provide a “Customer Service Center” in each zone awarded. The Customer Service Centers shall be staffed during normal business hours 6 days per week (Monday – Saturday) and allow CUSTOMERS to make service enquiries and pay bill by cash, check, debit and credit cards.

2.3.2 OUTREACH AND EDUCATION

Outreach and Education will be continuously provided to CUSTOMERS through and by the CONTRACTOR. In the proposal, each PROPOSER will describe their vision and strategic initiatives to engage and inform CUSTOMERS of the programs and services available to them under the AGREEMENT.

Each CONTRACTOR will be required to perform the following outreach and education activities:

- Implement CUSTOMER outreach and education strategies as specified in the CONTRACTOR’s AGREEMENT.
- Submit for CITY review and approval all communications to the public prior to distribution
- Utilize CITY designed and produced outreach material, web hosted material, and other outreach and education media that the CITY deems necessary to advance the goals of the FRANCHISE SYSTEM, as specified in the CONTRACTOR’s proposal
- Educate CUSTOMERS prior to and after the service start date, regarding service options, requirements regarding source separation and other information that will promote a high level of customer service and diversion
- Educate CUSTOMERS on the best practices on managing hazardous material including electronic waste (e-waste)

- Work with community groups, educational institutions, business groups and/or non-profits in order to assist in providing outreach and information regarding collection services, particularly focusing on COMMINGLED RECYCLABLES and ORGANICS collection and waste prevention

Potential strategies for outreach are presented below in Table 2-1

Table 2-1

POTENTIAL STRATEGIES FOR OUTREACH

| | |
|---|--|
| Outreach campaigns conducted at MULTIFAMILY and COMMERCIAL ESTABLISHMENTS | <ul style="list-style-type: none"> • Identification of Outreach CUSTOMERs (e.g., who they are, what their concerns are, how do they do business, etc.) • Outreach themes that address the concerns of each CUSTOMER type (e.g., recycle at work, in your apartment/condo, restaurant ORGANICS, waste prevention, etc.) • Materials needed for different CUSTOMER types (e.g., desk-side bin premiums, multifamily ORGANICS pail, multifamily reusable indoor bag, indoor color coded kitchen bins, compostable kitchen bag liners, reusable bags, etc.) • Campaign frequency (e.g., one-time, annual, quarterly, monthly, on-going) • Number of CUSTOMERs to be targeted for each CUSTOMER type and how they will be reached (e.g. specific outreach theme or method) • Number and title of staff to be assigned to outreach campaign • Type of metrics collected to analyze the effectiveness of the campaign • Reporting and effectiveness analysis of campaign to be provided to CITY |
| Community Engagement | <ul style="list-style-type: none"> • Community groups, educational institutions, business groups and/or non-profits that the CONTRACTOR plans to engage in order to assist in providing outreach and information regarding collection services, particularly focusing on COMMINGLED RECYCLABLES and ORGANICS collection and waste prevention • Types of metrics collected to analyze the effectiveness of the community engagement plan • Reporting mechanism for reporting community engagement statistics and analysis to CITY |

2.3.3 BILLING

Each CONTRACTOR is responsible for:

- Establishing, preparation and execution of a service agreement with each CUSTOMER,
- Monthly billing of all of its CUSTOMERs,
- Collection of payments (including late payments and bad debts),
- Receiving, and accurately recording and accounting of payments.

The CITY assumes no liability for bad debts (either those owed to the CONTRACTOR or a previous service provider). CONTRACTORS shall not suspend service before the CUSTOMER is 90 days past due.

Each CONTRACTOR is responsible for providing a smooth transfer of account information from the CUSTOMER's previous service provider to the CONTRACTOR. To ensure this, CONTRACTORs will:

- Be responsible for obtaining all information from the CUSTOMER required to accurately bill and collect payments from the CUSTOMER.
- Provide CUSTOMERS, prior to the transition of service, with easy to understand information regarding how to pay bills, contact the CONTRACTOR regarding account set up questions, etc. CUSTOMERS shall be provided the option to pay electronically (via the web, ACH debit, or e-check) as well as by mail.

Service agreements will follow a template provided by the CITY.

Billing throughout the CITY will be presented using the same format. Ensuring clear and uniform use of terms for the same service provided, clear descriptions of the services being charged, all billing procedures, and messaging for additional information (including, but not limited to: telephone numbers, web links, new program information, an announcement of Christmas tree collection services in December, any promotions, customer education, etc.). All CITY-approved EXTRA SERVICES provided will have a clear description and presentation of charges, including the dates that those services were provided and their unit prices.

Fees shall be paid by the CONTRACTOR to the CITY quarterly. Within 30 days after the end of the last calendar month of each quarter, each CONTRACTOR shall transmit to the CITY all FRANCHISE FEES and AB 939 FEES owed for the prior quarter, along with supporting documents to show the calculation of fees.

At its discretion, the CITY may audit a CONTRACTOR's billing practices, billing and payment receipt data and other billing related activities. CONTRACTORs shall comply and cooperate with CITY's auditors at no cost to the CITY or CUSTOMERS.

2.3.4 TECHNOLOGY REQUIREMENTS

The technology requirements described in this section apply to customer service, outreach and education, as well as all other elements of the RFP. These requirements shall commence at the beginning of the transition period. This section starts with high level functional requirements followed by detailed technical requirements.

2.3.4.1 FUNCTIONAL REQUIREMENTS

Each CONTRACTOR will be required to fulfill the following functionality elements:

1. Customer Service, Outreach and Education

- Respond to, update status and provide notifications on customer support requests that are forwarded from the CITY. Requests are submitted to the CITY via Internet/web, automated phone system, or email. CONTRACTOR systems are expected to respond to requests 24/7.
- Allow CUSTOMERS forwarded from a CITY website to update account information, pay and view historical billing information and track current status and location of collection vehicles

- Allow CITY staff to view up to date CUSTOMER service levels
- Track and report customer outreach and educational activities and their effects

2. Field Operations
 - Track and provide details on CUSTOMER service levels and extra services provided
 - Provide vehicle inventory prior to implementation of the program and provide monthly updates. The vehicle inventory shall include, but not limited to, a list of all vehicles to be utilized to fulfill the requirement of the AGREEMENT by make, model (including VIN Number), and function, such as the collection of BLUE BINS
 - Provide hauling route details prior to implementation of the program and provide monthly updates
 - Track and provide details on vehicle inspections, location data and vehicle operational data
 - Capture and provide photographic and/or video surveillance from collection vehicles in a digital format
 - Track and submit details relating to accidents, incidents or collisions
3. SOLID RESOURCES Collection
 - Track and report on quantities of SOLID WASTE, RECYCLABLES, and ORGANICS collected
4. Cost and Fee (Franchise Administration) Information
 - Track and provide details of CUSTOMER billing, GROSS RECEIPTS, fees and liquidated damages due to the CITY

Data elements for reporting are listed in Table 2-6. The format of these individual reports will be Comma Separated Value (CSV), unless otherwise noted. The reports shall be uploaded to a CITY provided Secure File Transfer Protocol (SFTP) server. Naming convention and folder hierarchy will be provided at a later date.

2.3.4.2 CUSTOMER SERVICE

The CITY is to be the first point of contact for customer service inquiries, referred to as service requests, regardless of how the CUSTOMER contact is initiated. CUSTOMERS are to be given a number of ways to initiate service requests, complaints and inquiries either through phone, Internet/website, and mobile/smart-phone application.

The CONTRACTOR will be responsible for following service request workflow and procedures for updating and closing service requests that will meet the CITY's standards, which will be provided at a later date. Additionally, the CONTRACTOR will be responsible for properly training their customer support staff on these processes.

The CONTRACTOR will maintain the integrity and measurability of the customer service process and ensure high quality customer service. The CONTRACTOR will be required to use the CITY's Siebel Customer Relationship Management (CRM) system for all service requests. The CONTRACTOR will be required to purchase sufficient client licenses to cover the CONTRACTOR's customer support staff and agree to and sign a system use policy for the CRM, licensing, and associated network resources.

The CONTRACTOR's customer support performance will be monitored and sufficient technology shall be in place to support the performance metrics specified in Appendix 1.7. Beyond the CITY provided CRM for service requests, the CONTRACTOR shall comply with the following requirements for the website, call center, account information, payment, and fleet tracking.

1. Web Standards

- The CONTRACTOR shall utilize the CITY's website and customer portal. This requirement applies to websites and mobile applications. This includes home page, site registration, and site navigation.

2. Call Center Access to Customer Service

- SANITATION's CALL CENTER will be the first point of contact for CUSTOMERS. Requests will be routed to the CONTRACTOR's call centers.

3. Customer Self-Service Requirements

- The CONTRACTOR shall provide automated self-service options for requests that can be handled without CSR assistance if this method is preferred by the CUSTOMER. However, the CUSTOMER should be able to access immediate assistance via call center support. The CUSTOMER should also be able to utilize a mobile application with similar capabilities to the website functionality defined below.

4. When a CUSTOMER is routed from the CITY's website to the CONTRACTOR's site for customer service, the visitor should have the option to:

- Log into a secure site to access information, make payments, and track current fleet locations for their route. Customer account validation must be included.
- View unsecured information without needing to log into the system (i.e., as a visitor). Unsecured information includes, but is not limited to, education and outreach information, standard service descriptions and service pricing information. Visitors should also be able to interact directly with CONTRACTOR customer service representatives through email regarding billing inquiries. A log of this information must be kept and reported to the CITY, including noting if the issue was resolved to the CUSTOMER's satisfaction.

5. The following CUSTOMER transactions will be supported both by automation (computer interaction) and by a live CSR, depending on customer preference. These transactions include, but are not limited to the following types:

- Creating a new account including billing, service level and pickup schedule options.
- Closing an account including a request for a final bill and pickup. The CUSTOMER should also be notified of the related container removal services that will take place as a result of the closure of their account.
- Modifying service levels (add or delete services, change pick-up frequency).
- Submitting billing information inquiries via email or chat. The CUSTOMER must receive an acknowledgement and an estimated response time.
- Viewing bin information for their currently assigned and pending containers. This may include photo and location information.
- Identifying the next service date (this is especially important when the pickup date is impacted by a holiday or other schedule change).

6. The CUSTOMER must be able to view their most recent invoice and payment information along with the next invoice date. The CUSTOMER shall be able to see the details of past invoices. The invoice information displayed should include, but is not limited to:
 - Monthly Service Fee
 - One-time fee service invoicing
 - Per Container Charges
7. The CUSTOMER must be able to view and make account payment. The payment information displayed should include, but is not limited to:
 - Amount due/outstanding balance
 - Payment options and methods
 - Account status (current, past due, delinquent)
8. The CUSTOMER should be able to view the current location of the waste hauling vehicle servicing the CUSTOMER's premise. Location information shall be accurate to within a 10 minute window
9. Customer Notifications will be offered via voice, email, text and other technologies as they become available. Notifications to be sent from the CONTRACTOR to the CUSTOMER include, but are not limited to the following capabilities:
 - Notification within two (2) hours that the CONTRACTOR was unable to make a scheduled collection (such as locked mechanism, obstructed access, contamination, etc.)
 - Notification of route change
 - Notification of excess waste, any fees to be assessed (in the case of excess solid waste) and the expected corrective action
 - Notification of any claim of a damaged container resulting from CUSTOMER negligence or destruction. The notification should inform the CUSTOMER of any fees to be assessed and the expected corrective action.
 - Notification when container is missing at the time of their regularly scheduled collection. If the missing container is discovered by the CONTRACTOR, the CUSTOMER should be directed to the transactions necessary to correct the issue. If the CUSTOMER reports a missing container, the CONTRACTOR should take the necessary actions to restore or replace the container to the correct location. If the container has been moved, the CUSTOMER account should be updated to reflect the new location.

2.3.4.3 FIELD OPERATIONS

PROPOSERs are expected to utilize appropriate technologies (software and hardware) to meet the CITY's requirements for field operations data reporting as described in Section 2.4.6. All hauling trucks are expected to be equipped with data recording capabilities to capture data from global positioning system (GPS) devices, vehicle dynamics monitoring, lift monitoring, container ID readers and engine performance monitoring systems. This data will be communicated from the truck in real-time and maintained by the hauler either directly or through a third party service. These systems allow for the monitoring of fuel consumption, idle time, unsafe driving practices, vehicle maintenance, engine emissions, and container lifts. In addition, these systems can be used to document irregular situations (such as spills, overflow conditions, hazardous material discovery, inaccessibility, etc.).

1. Fleet Details

CONTRACTORS will be expected to record and report on measures relating to field operations for each truck in their fleet. Prior to the start of service date, CONTRACTORS shall provide the CITY with a list of hauling vehicles including the make, model year, hauling capacity and fuel type. Changes to the fleet will be reported to the CITY on a monthly basis. CONTRACTORS will provide a summary of daily vehicle safety inspection reports and safety issue remediation on a monthly basis.

2. Route Information

CONTRACTORS are expected to provide monthly summary reports to the CITY. This report shall detail collection services provided by route and by truck and includes, but is not limited to, vehicle miles traveled, vehicle hours traveled, idle time, unsafe driving practices, and vehicle safety issues. The CONTRACTOR will allow for detailed tracking information to be accessed by CITY staff to aid in dispute resolution. Route information and subsequent changes to routes shall be provided by the CONTRACTOR to the CITY in a format compatible with the CITY's Geographic Information System (GIS).

3. Photo and Video

All hauling trucks are expected to have photo and video recording equipment to document EXTRA SERVICES that are billed for, safety incidents, spills, VMTs and other items that may be of interest to the CITY. CONTRACTORS are expected to retain these photos and video in an electronic format for a year, indefinitely if there is an open dispute associated event captured, and provide to the CITY upon request (e.g., during a CUSTOMER billing dispute investigation).

2.3.4.4 Service Level Reporting

Prior to service start date, CONTRACTORS are expected to provide the CITY with a list of CUSTOMERS and their respective service levels including bin size for each waste type, number of each type of bin, and frequency of collection (number of pickups per week). This detail must also be cross-linked to the CITY's account database. CONTRACTORS are expected to maintain service level information in an electronic database and to provide the CITY with monthly reports detailing changes in service levels.

2.3.4.5 SOLID RESOURCES Collection Reporting

CONTRACTORS are expected to maintain an electronic database of tonnages for each waste stream collected and delivered to transfer station, landfill or processing facilities from each truck with route details on a daily basis. CONTRACTORS will provide the CITY with monthly reports detailing this data.

2.3.4.6 Franchise Administration

CONTRACTORS are expected to electronically retain all records related to their Franchise AGREEMENT with the CITY. Detailed reports including CUSTOMER billing by service level, GROSS RECEIPTS, fees and liquidated damages due to the CITY will be required on a monthly basis.

2.3.5 CUSTOMER SERVICE AND TRANSITION PLAN

2.3.5.1 TRANSITION PERIOD

A Draft Transition Plan shall be submitted by the PROPOSER. The Transition Period begins when the AGREEMENTs are executed, and extends nine (9) months after the service start date of the FRANCHISE SYSTEM. The service start date is expected to begin in January 2017, however, the exact start date will be determined by the CITY upon the execution of the AGREEMENTs.

PROPOSERs shall provide strategies for providing a smooth transition to the FRANCHISE SYSTEM in each FRANCHISE ZONE or FRANCHISE ZONE BUNDLE for which they submit a proposal, including processes for quickly rectifying any problems that may arise during Transition Period. These strategies will be considered a part of the evaluation package. The following sections describe in more detail what will be expected of CONTRACTORs during the Transition Period.

2.3.5.2 TRANSITION TEAM – CONTRACTOR PARTICIPATION REQUIREMENTS

Each PROPOSER awarded a FRANCHISE ZONE will be required to participate in a CITY-led joint Transition Team that will include all CONTRACTORs, CITY staff, and other transition staff, as designated by the CITY. Transition Team meetings will occur frequently (potentially weekly), and attendance is mandatory. Meetings of the Transition Team will begin within one (1) week after all AGREEMENTs are executed, and continue as long as the CITY deems necessary.

2.3.5.3 TRANSITION SCHEDULE AND PLAN REQUIREMENTS

Each PROPOSER that is awarded a FRANCHISE ZONE shall submit a final Transition Plan within two (2) weeks of the execution of the AGREEMENTs. Table 2-2 presents the major milestones that shall be met to ensure a smooth transition of the FRANCHISE SYSTEM. Each PROPOSER shall include a schedule that will work for their organization and each FRANCHISE ZONE or BUNDLED FRANCHISE ZONEs. Proposed due dates for each of the milestones listed below shall be submitted (see Form 7 – Proposed Transition Plan in Appendix 3). The CITY reserves the right to change the schedule, as required to meet the start of service date. The current goal for the FRANCHISE SYSTEM is the start of service date of January 9, 2017.

Within one week of the execution of AGREEMENTs, all CONTRACTORs shall attend all mandatory Transition Team meetings.

**TABLE 2-2
TRANSITION PLAN SCHEDULE**

| Milestone | Due Date |
|--|--|
| PROPOSERs submit proposed Draft Transition Plan with Proposal | |
| Successful PROPOSERs submit final draft Transition Plan - within (2) two weeks after execution of the AGREEMENTs | Dates to be proposed by CONTRACTOR using Form 7 – Proposed Transition Plan |
| Kickoff meeting of Transition Team – potential weekly mandatory meetings of Transition Team thereafter | |
| Risk Reviews/Fatal Flaw Assessments (with Transition Team) | |

TABLE 2-2
TRANSITION PLAN SCHEDULE

| Milestone | Due Date |
|---|----------|
| Initial CUSTOMER List | |
| Initial CUSTOMER contact | |
| Account transfer, set up and billing | |
| CONTAINER removal | |
| CONTAINER procurement, delivery, and labeling | |
| Call Center and Field Services staffing | |
| Problem resolution | |
| Clean fuel collection vehicles procurement | |
| GPS of vehicles | |

2.3.5.4 SETTING UP SERVICE WITH CUSTOMERS

CONTRACTORS shall establish processes for contacting and setting up accounts for its CUSTOMERS. Each CUSTOMER shall be provided information about the methods by which bills can be paid, information on how to access account information and customer service, and rules related to payment (i.e., such as penalties for late payment).

PROPOSERS shall establish processes for educating customers about new service options, service requirements schedule for the exchange and or delivery of CONTAINERS, SOURCE-SEPARATION requirements, and rates. CUSTOMERS shall be provided information for all service level options available to them and the EXTRA SERVICES rates and options.

PROPOSERS shall develop and implement business processes in anticipation of a high volume of calls prior to and after transition and to have in place trained staff to address both high call volumes and a large number of field service requests. This plan shall include the approach to hire temporary field, customer service, office and any other staff necessary for the transition, as well as emergency staff for unusual events.

2.3.5.5 CONTAINER TRANSITION PLAN

PROPOSERS shall present their plan for procuring necessary CONTAINERS, the removal of CONTAINERS that they do not intend to use and hiring additional staff, as necessary. PROPOSERS shall prepare and execute a CONTAINER delivery plan to ensure that all CUSTOMERS have the appropriate CONTAINERS in accordance with the transition plan in each AGREEMENT. The plan shall reflect any plan to use or purchase existing containers, as well as the procurement and placement of new CONTAINERS. Recycling CONTAINERS already placed for the CITY's Multifamily Residential Recycling Program will remain for use by the CONTRACTOR.

2.4 SERVICE PLAN

2.4.1 COLLECTION SERVICES

All COMMERCIAL ESTABLISHMENTS shall receive a base package of services that includes SOLID WASTE collection and COMMINGLED RECYCLABLES collection. ORGANICS service shall continue to be provided to all CUSTOMERS that currently participate in the ORGANICS programs. ORGANICS collection must be available and provided to all CUSTOMERS that request it, at the start of service.

Collection of SOLID RESOURCES shall conform to the CUSTOMERS service needs. The rate charged to CUSTOMERS for SOLID WASTE service shall include a container for COMMINGLED RECYCLABLES of any size requested by the CUSTOMER at no additional charge.

Collection of COMMINGLED RECYCLABLES shall be at the collection frequency of SOLID WASTE. However, if a CUSTOMER wants the BLUE BIN collected at a frequency higher than SOLID WASTE, the CUSTOMER will be charged the rate established in the AGREEMENT for additional collection service.

CUSTOMERS shall receive at least one collection per week for SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS (if the CUSTOMER receives this service), Monday through Saturday. CUSTOMERS may request and receive Sunday collection services for an additional cost. PROPOSERS are required to propose a rate for Sunday collection.

CONTRACTORS shall work with each CUSTOMER to provide the appropriate number and size of CONTAINERS and collection frequency to meet the CUSTOMER's service needs, including CONTAINER space constraints. All CONTAINERS, including BLUE BINS, shall be delivered to CUSTOMERS on or before a date to be determined in AGREEMENT negotiations.

Section 2.7 describes how PROPOSERS are expected to prepare their cost proposals for SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS.

2.4.1.1 SPECIFIC REQUIREMENTS FOR MULTIFAMILY CUSTOMERS

The CITY currently provides a valet recycling service for approximately 18,000 MULTIFAMILY accounts CITY-wide. CONTRACTORS shall be required to continue to provide this valet service to all MULTIFAMILY ESTABLISHMENTS that currently receive this service. PROPOSERS shall include the cost of valet service for MULTIFAMILY CUSTOMERS within their cost proposal, not as a separate charge. Valet service requires the CONTRACTOR remove and replace collection CONTAINERS from within the building or an enclosure.

PROPOSERS shall perform their own due diligence regarding how this service is currently being performed for accounts within the FRANCHISE ZONEs for which they wish to propose in order to include this service for MULTIFAMILY accounts within their cost proposals at no additional charge to these MULTIFAMILY accounts.

Bulky items and WHITE GOODS from MULTIFAMILY ESTABLISHMENTS will continue to be collected by the CITY as per Los Angeles Municipal Code Section 66.41. Bulky items and WHITE GOODS from other COMMERCIAL ESTABLISHMENTS will be collected and charged as shown in Table 2.3, Extra Collection Services and Associated Fees.

2.4.1.2 SPECIFIC REQUIREMENTS FOR EXISTING ORGANICS CUSTOMERS

Approximately 846 COMMERCIAL ESTABLISHMENTS currently receive food waste collection service and CONTRACTOR must provide these services to COMMERCIAL ESTABLISHMENTS that request food waste collection. An additional number of CUSTOMERS currently receive yard waste collection service. PROPOSERS who are awarded CONTRACTS in FRANCHISE ZONES where these CUSTOMERS are located shall continue to provide these services to CUSTOMERS. CONTRACTOR shall actively encourage participation in ORGANIC DIVERSION. Ultimately ORGANIC recycling shall be provided to all COMMERCIAL ESTABLISHMENTS that produce ORGANICS. There will be a charge for this service in addition to SOLID WASTE collection service. Section 2.6.2, Organics Implementation Plan, provides additional information about ORGANICS collection service requirements.

2.4.1.3 COLLECTION DAYS AND HOURS

CONTRACTORS shall provide collection service for SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS Monday through Saturday, fifty two (52) weeks per year, excluding certain HOLIDAYS (listed below), at regular collection rates.

Collection of SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS shall be performed Monday through Saturday only between the hours of 6:00 am and 9:00 pm within 200 feet of any residential building, per City of Los Angeles Municipal Code SEC. 113.01, Rubbish And Garbage Collection And Disposal. Collection from COMMERCIAL ESTABLISHMENTS farther than 200 feet from any residential building may be conducted Monday through Sunday at any time of day, which follows the needs of the CUSTOMER.

Collection service will not be provided on the following HOLIDAYS, except as directed by the Director of SANITATION:

- New Year's Day
- Labor Day
- Independence Day
- Thanksgiving
- Christmas

If a CUSTOMER's collection service day happens to fall on one of these HOLIDAYS, collection shall be performed on the following CALENDAR DAY.

CONTRACTORS are expected to plan around these limitations to provide the quickest possible collection of on-call and missed collection services.

PROPOSERS are responsible for understanding and complying with any street use restrictions, or other local regulations that may impact how, when, and where they may provide collection services in each FRANCHISE ZONE for which they submit a proposal. The CITY will not assume any responsibility for a PROPOSER's failure to perform proper due diligence related to any factors that may impact the PROPOSER's collection operations.

2.4.1.4 EXTRA SERVICES

The CITY has established the following list of other services, which CONTRACTORS shall offer their CUSTOMERS at the accompanying rate. Any services not listed in Table 2-3 shall be provided at no extra cost to the CUSTOMER, unless approved by the CITY manager. Items listed in Table 2-3 below with an X shall be proposed by the PROPOSER and negotiated, if the PROPOSER is selected. EXTRA SERVICES will be increased annually in accordance with the formula specified in Section 6.23.4.

TABLE 2-3
EXTRA COLLECTION SERVICES AND ASSOCIATED FEES

| Service | Condition under which fee applies | Total Rate |
|--|--|------------------|
| <u>Locks</u> | | |
| Gravity Lock Installation – Per CONTAINER | CUSTOMER request – one-time fee per CONTAINER | \$25 |
| Lockbar Installation – Per CONTAINER | CUSTOMER request – one-time fee per CONTAINER | \$25 |
| Locks for CONTAINERS – Per lock | CUSTOMER request – one-time fee per lock | \$10 |
| Unlocking and Locking CONTAINERS – Per CONTAINER | CUSTOMER request – per CONTAINER per pick up rate | No charge |
| <u>Distance/Access</u> | | |
| Distance Charge Between 100-200 ft | Site requirement, per CONTAINER per pickup charge | \$25 |
| Distance Charge Over 200 ft | Site requirement, per CONTAINER per pickup charge | \$35 |
| Blocked Access – Requiring Return or Delay | Driver observation, document with picture and note uploaded to electronic customer service system with 24 hours, notify CUSTOMER within 2 hours. | \$50 |
| Entering Secured Building/Unlocking and Locking Gates | CUSTOMER request – per CONTAINER per pickup charge | \$10 |
| <u>Supplemental Cleaning</u> | | |
| Cart Cleaning (after one free cleaning/year) | CUSTOMER request – Fixed Fee Per CONTAINER | \$15 |
| CONTAINER Pressure Wash/Steam Cleaning (after one free cleaning/year) | CUSTOMER request – Fixed Fee Per CONTAINER | \$30 |
| COMPACTOR CONTAINER Pressure Washing/Steam Cleaning (after one free cleaning/year) | CUSTOMER request – Fixed Fee Per CONTAINER | \$150 |
| ROLL OFF CONTAINER Pressure Washing/Steam Cleaning (after one free cleaning/year) | CUSTOMER request – Fixed Fee Per CONTAINER | \$150 |
| <u>CONTAINER Replacement/Repair</u> | | |

TABLE 2-3
EXTRA COLLECTION SERVICES AND ASSOCIATED FEES

| Service | Condition under which fee applies | Total Rate |
|--|---|--|
| Repair or Replacement of CUSTOMER Owned CONTAINER(s) | CUSTOMER request; Time and Materials Fee; CONTRACTOR may direct replacement for safety/operational reasons; CONTRACTOR shall submit a list of replacements and deliver it with the monthly report. The list shall include a description of why the CONTAINER was replaced, including pictures detailing the necessity of replacement. | \$60 per repair hour plus materials, no charge for pick up and delivery |
| Repair or Replacement of CONTRACTOR Owned CONTAINER(s) – Normal Wear and Tear or CONTRACTOR Error | CUSTOMER request or CONTRACTOR decision | No charge |
| Changing CONTAINERs for an Increase or Decrease in Level of Service | CONTRACTOR shall submit a list of replacements and deliver it with the monthly report. The list shall include a description of the service level change. | No charge |
| <u>Overflow of Materials</u> | | |
| Overfill Charge | Driver observation, document with picture and note uploaded to electronic customer service system with 24 hours, notify CUSTOMER within 2 hours | Equal to fee for 32 gal SOLID WASTE cart |
| <u>Administrative Fees</u> | | |
| Re-instatement fee (i.e., returning CONTAINER (s) after service stopped) | CUSTOMER request – Fixed Fee | \$70 |
| Late Payment fee (>30 days overdue) | CUSTOMER inaction | \$5 or 1.5% of the debt/month, whichever is more |
| <u>Return Check Fee</u> | CUSTOMER remits payment using check rejected due to insufficient funds | \$25 |
| <u>Other Fees</u> | | |
| Collection of Bulky Waste from COMMERCIAL ESTABLISHMENT not subject to CITY Multifamily Bulky Item Fee– Per Item | CUSTOMER request – Fixed Fee Per Item | \$35 |
| Collection of WHITE GOODS – Per Item | CUSTOMER request – Fixed Fee Per Item | \$30 |
| Collection of Mattress – Per Item | CUSTOMER request – Fixed Fee Per Item | \$40 |
| Idle Time Charge | If driver has to wait in excess of 15 minutes (documented using GPS technology) | \$15 per every 15 minutes |

2.4.2 CONTAINER REQUIREMENTS

2.4.2.1 CONTAINER SIZES

CONTRACTORS shall offer the following CONTAINER size choices to all CUSTOMERS in their FRANCHISE ZONE(s):

TABLE 2-4
CONTAINER TYPES AND SIZES

| CONTAINER Type | CONTAINER Size Choices |
|---|--|
| SOLID WASTE and COMMINGLED RECYCLABLES (Cans/Carts, CONTAINERs/ Compactors) | 32 gallon, 64 gallon, 96 gallon, 1-8 cubic yard detachable or COMPACTOR CONTAINERs, as required by the CUSTOMER |
| ROLL OFF CONTAINERs (SOLID WASTE, COMMINGLED RECYCLABLES, yard trimmings) | 10 cubic yard, 20 cubic yard, 30 cubic yard, 40 cubic yard |
| ORGANICS CONTAINERs (Cans/Carts, detachable CONTAINERs, COMPACTORs) | The CONTRACTOR may limit CUSTOMERS Cans/Carts and CONTAINERs to 4 cubic yards or less, as necessary to account for weight limitations. |

The CONTRACTOR shall provide new or replacement CONTAINERs within two (2) business days after notice from the CITY or request (phone, email or written) from a CUSTOMER.

CUSTOMERS may elect to own or secure Cans, Carts, CONTAINERs (including COMPACTOR CONTAINERs) and/or ROLL OFF CONTAINERs from sources other than the CONTRACTOR, and shall not be subject to discrimination by the CONTRACTOR in collection services on that account. However, CUSTOMERS containers shall be inspected and approved by the CONTRACTOR to ensure that they can be serviced by their front, side load, rear load, tilt frame or other collection vehicles. In the event of disagreement between the CONTRACTOR and the CUSTOMER, the CUSTOMER may appeal to the CITY. The appeals process will be specified in AGREEMENTs.

The CONTRACTOR shall investigate the possibility of refurbishing existing CONTAINERs for use under the FRANCHISE SYSTEM, as long as they meet the needs of the CUSTOMER.

A CONTRACTOR may provide previously used containers to a CUSTOMER as long as the containers have been refurbished to like-new condition, pressure washed and repainted if necessary before being supplied to the CUSTOMER. CONTAINERs shall meet the specifications listed in Table 2-5.

2.4.2.2 CONTAINER SPECIFICATIONS

CONTAINERs provided by the CONTRACTOR, or owned by the CUSTOMER, shall meet the following specifications:

TABLE 2-5
CONTAINER SPECIFICATIONS

| CONTAINER Type | Specifications |
|---|--|
| Applicable to All CONTAINERS | <ul style="list-style-type: none"> • CONTRACTOR provided serial number • Prominently display account address on CONTAINER • CITY 1-800-773-CITY CALL CENTER contact information on CONTAINER and web site • Rodent and insect proof • Leak proof • No jagged edges or holes • Compliant with CITY Fire Code • Follows CITY-wide color coding and displays the appropriate materials for the CONTAINER (approved by the CITY) • All plastic CONTAINERs shall consist of a minimum of 30% recycled content. |
| Cans/Carts (SOLID WASTE) | <ul style="list-style-type: none"> • Black or Grey • Lightweight durable plastic, galvanized or sheet metal • At least two wheels • Tight fitting lid with handle • At least one handle to facilitate transport across pavement • “Solid Waste Only” label (approved by the CITY) |
| CONTAINERs/Smaller COMPACTORs (SOLID WASTE) | <ul style="list-style-type: none"> • Black or Grey • Metal or plastic • A least four wheels • Tight fitting lid with handle (CONTAINERs) • At least one handle to facilitate transport across pavement • “Solid Waste Only” label (approved by the CITY) |
| ROLL OFF CONTAINERs (SOLID WASTE, COMMINGLED RECYCLABLES, ORGANICS) | <ul style="list-style-type: none"> • Black or Grey (SOLID WASTE), blue (COMMINGLED RECYCLABLES), green (ORGANICS) • Metal • Tight fitting, impermeable screen lid, or covered by tarp during transport • At least two wheels • Label describing materials that can be placed in the CONTAINER (approved by the CITY) |
| Compactor ROLL OFF CONTAINERs (SOLID WASTE) | <ul style="list-style-type: none"> • Black or Grey • Metal • At least four wheels or track • “Solid Waste Only” label (approved by the CITY) |
| COMMINGLED RECYCLABLES (Cans/Carts, CONTAINERs, COMPACTORs) | <ul style="list-style-type: none"> • Blue (same shade as CITY residential COMMINGLED RECYCLABLES carts) • Lightweight durable plastic, or metal in the case of CONTAINERs • At least two wheels (cans/carts); four wheel for CONTAINERs • Tight fitting lid with handle • At least one handle to facilitate transport across pavement • Label describing COMMINGLED RECYCLABLES materials that can be placed in the CONTAINER (approved by the CITY) |
| ORGANICS (Cans/Carts) | <ul style="list-style-type: none"> • Green (same shade as CITY residential ORGANICS cans/carts) • Lightweight durable plastic • At least two wheels (cans/carts) • Tight fitting lid with handle • At least one handle to facilitate transport across pavement • Label describing organic materials that can be placed in the CONTAINER (approved by the CITY) |

2.4.2.3 CONTAINER MAINTENANCE AND REPAIR

All CONTAINERs shall be in good repair and absent of graffiti, or other markings, except those required and approved by the CITY.

The CITY reserves the right to direct a CONTRACTOR to paint, replace, repair or clean a CONTAINER based on its condition. Repair or replacement required as result of normal wear and tear, or damage resulting from CONTRACTOR actions is at the expense of the CONTRACTOR. Repair or replacement of CUSTOMER owned CONTAINERs is at the expense of the CUSTOMER, except when caused by CONTRACTOR actions (e.g., damage caused by the CONTRACTOR). In the event of disagreement between the CONTRACTOR and the CUSTOMER, the CUSTOMER may appeal to the CITY. The CITY's decision shall be final.

CUSTOMERs are entitled to one free steam cleaning in a twelve month period (per CONTAINER). Additional cleanings in a twelve month period shall be at the CUSTOMER's expense.

CONTRACTORs are responsible for removing graffiti from their cans/carts, CONTAINERs (including COMPACTORs) and ROLL OFF CONTAINERs. Collection drivers shall regularly note CONTAINERs containing graffiti. The CONTRACTOR shall remove any graffiti reported within five (5) business days of notification. CONTRACTOR shall provide CUSTOMER with paint to cover graffiti at CUSTOMER's request, without charge.

CUSTOMERs are responsible for removing graffiti from CONTAINERs they own. The graffiti shall be removed within five (5) business days after notification by the CONTRACTOR or the CITY. The CUSTOMER may request that the CONTRACTOR remove the graffiti, but the CUSTOMER will be billed for the work.

2.4.2.4 LID LOCKABLE CONTAINERS

The CONTRACTOR shall install requested lock(s) within five (5) working days of a CUSTOMER's request for a container lid lock(s) for one or more detachable CONTAINERs. A locking mechanism may be:

- A gravity lock; or
- Lockbar mechanism
 - For a Lockbar system, the CONTRACTOR shall provide at least fifty (50) different key or lock combinations for CUSTOMERs with one master key or combination to be used by the CONTRACTOR's collection workers.

The only authorized lid lock mechanisms on CONTRACTOR owned CONTAINERs are those installed by the CONTRACTOR. The CONTRACTOR shall have no obligation to render CUSTOMER-supplied containers compatible with the CONTRACTOR's padlocks, or to supply padlocks for use with such containers.

The CONTRACTOR may decline to make collections of CONTAINERs fitted by others with locking mechanisms, whether or not such CONTAINERs are locked on the date of scheduled service, if the locking mechanisms are of a configuration that prevents collection with the CONTRACTOR's equipment or poses a threat to health and safety.

2.4.2.5 HORSE MANURE CONTAINERS

CONTRACTORS are required to provide horse manure collection in colored containers that are the same shade of brown as the CITY's current collection CONTAINERs. This material is to be recovered for beneficial use, either with the collected ORGANICS materials, or in another system that the CONTRACTOR selects.

2.4.3 VEHICLE AND ROUTING REQUIREMENTS

PROPOSERs are required to utilize vehicles that meet South Coast Air Quality Management District (SCAQMD) clean air and State and local fuel efficiency standards, travel daily collection routes to maximize efficiency, and meet certain other standards related to maintenance, appearance and on-board equipment.

2.4.3.1 CLEAN FUEL REQUIREMENT

All collection vehicles, including tractor trailers that carry ROLL OFF CONTAINERs, shall be eight (8) model years old or newer, and (as of January 1, 2017) in compliance with the SCAQMD Rule 1193 definition for Alternative-Fuel Heavy-Duty Vehicle [Rule 1193(c)(1)].

2.4.3.2 REQUIREMENT FOR EFFICIENT ROUTING

PROPOSERs will include proposed vehicle miles traveled (VMT) for each FRANCHISE ZONE. PROPOSERs shall demonstrate that they have in place technologies and processes to minimize VMTs during the course of the collection day. Examples of such technologies and processes include:

- On-board route maps to ensure drivers are performing routes in the most efficient manner; and
- State of the art route optimization software (e.g., RouteSmart, Routeware, etc.) to assist in designing highly efficient collection routes.

CONTRACTORS shall have GPS systems (e.g., Zonar, Radio Satellite Integrators, ect.) installed and operating in all collection vehicles. CONTRACTORS shall track and report VMT to the CITY on a monthly basis.

2.4.3.3 OTHER VEHICLE REQUIREMENTS

Collection vehicles shall not leak from the power train or the body of the truck, per Los Angeles Regional Water Quality Control Board regulations, nor shall they leak from the collection vessel.

All vehicles (including ROLL OFFs) used within the FRANCHISE ZONE shall be in good repair and appropriate to the collection task. Trucks shall be repainted as needed to present a uniform and tidy appearance at the CONTRACTORS expense; this includes washing trucks at least weekly, as presented in Table 2-7.

All CONTRACTOR vehicles used within the FRANCHISE ZONE shall identify the truck as Franchise hauler for the City of Los Angeles, bear the CITY's 1-800-773-CITY contact

information, and the name and telephone number of the CONTRACTOR, and bear a serial number coded for that vehicle. The CITY shall provide the form and format of the identifying placard/decal. No advertising shall be permitted on the vehicles, other than the name of the CONTRACTOR, and CITY required educational information.

The number of collection vehicles (including spares) shall be sufficient to service all FRANCHISE ZONE CUSTOMERs at the frequency of collection specified. Trucks utilized for the FRANCHISE shall be dedicated to CITY FRANCHISE system.

2.4.4 SPECIAL SERVICE REQUIREMENTS

HOSPITALS

The CONTRACTOR will also be required to meet the unique needs of each HOSPITAL located within their respective FRANCHISE ZONE. A responsive proposal must include satisfactory evidence of the PROPOSER'S capacity to fulfill the following requirements:

- 1) OPERATIONS & CERTIFICATION REQUIREMENTS
 - a) CONTRACTOR/SUBCONTRACTOR and the software used under the AGREEMENT shall comply with all requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), enacted as part of the American Recovery and Reinvestment Act of 2009, CCMIA and any other applicable federal or state privacy rules and regulations.. In accordance to HIPAA regulations, the CONTRACTOR agrees not to sell, share, discuss, assign, transfer or otherwise disclose any confidential information.
 - b) During the term of this AGREEMENT and for a period of four (4) years after the termination hereof, CONTRACTOR agrees that the Department of Health and Human Services and the Comptroller General of the United States shall have the right of access to all books, documents, and records of the Contractor, which are necessary to verify the costs of the contract.
 - c) CONTRACTOR agrees that the Department of Health and Human Services and the Controller General of the United States shall have the right of access to all books, documents, and records of the Contractor, which are necessary to verify the costs of the services provided.
 - d) CONTRACTOR shall comply with Hospital's Code of Conduct, which references among other items compliance with many applicable laws and regulations incumbent upon hospitals.
 - e) All equipment, containers or items furnished by CONTRACTOR under this program will comply with all agencies having jurisdiction over the hospital. These include but are not limited to federal, state and health oversight agencies, CMS, JTC, and OSHA. CONTRACTOR further agrees that as these agencies modify their standards and requirements CONTRACTOR will promptly exchange and replace any such equipment, containers, or items as necessary.
 - f) CONTRACTOR shall assure that the integrity of the Hospital waste stream from pick up to ultimate disposal is uncompromised, and that PHI is not improperly used or disclosed under any circumstance.
 - g) CONTRACTOR attests that Contractor has never been listed on any government database (including but not limited to LEIE and EPLS) excluding them from government contracts, participation in federally funded health care programs, nor the Department of

the Treasury's list of Specially Designated Nationals. CONTRACTOR, its workforce members, and/or its affiliates may not be excluded from participation under any federal health care program. Contractor shall notify the City if it or any of its workforce members become excluded.

- h) All CONTRACTOR and SUBCONTRACTOR staff assigned to hospitals must comply with Hospital's medical screening and testing requirements.
- i) Contractor employees assigned to Hospital will have undergone a criminal background check for felony convictions and selected misdemeanors according to HOSPITAL's policy. Contractor will ensure such background check has been completed within the six-month period preceding the assignment, or for the period defined by Hospital and advise hospital of any felony conviction to allow for review and a determination as to the acceptability of Contractor employee. Contractor will maintain documentation of criminal background checks and will make that documentation available to Hospital upon request. Contractor will also be responsible for completing such other background checks as may be required by Hospital
- j) CONTRACTOR shall provide validated competency training for all technical support/education personnel, engaged in on-site training, per The Joint Commission Standards at no cost to Hospital.

2) SERVICE PROVISION REQUIREMENTS

- a) The CONTRACTOR shall provide a dedicated point of contact to hospitals who will be available by cell phone and/or landline 24 hours per day. The actual required response time may vary from hospital to hospital.
- b) The CONTRACTOR shall prioritize collection for hospitals in the event of any interruption in operations of the franchisee, for any reason, including but not limited to business failure, or natural disaster
- c) The CONTRACTOR shall detail response procedures for emergency situations (such as hazardous waste or other contaminants commingled with solid waste)
- d) Contractor shall provide semi-annual audits to identify trends of Hospital waste volume, recycling quantities by type, etc. at no cost to Hospital.
- e) CONTRACTOR shall develop a driver- training program that fully addresses the unique needs of each hospital.
- f) CONTRACTOR shall ensure that no significant workflow changes will be necessary to maintain HIPAA compliance, such as with respect to PHI labeling (IV bags and medication bottles as an example).
- g) CONTRACTOR shall perform a waste assessment at no cost to the hospital prior to the commencement of service. This waste assessment would include, but not be limited to, a review and approval of the type, size, and location of all waste containers, and a report identifying the impact of waste handling and pickups on the workflow of hospital staff on floors, clinical areas, and the loading dock and receiving yard.
- h) CONTRACTOR shall monitor and stay abreast of changes in federal, state or local rules and regulations and be able to implement those changes throughout the duration of the AGREEMENT.
- i) CONTRACTOR shall take any steps necessary to insure that the current waste diversion and recycling efforts, including type and quantity of recyclables and any allocated resources shall at a minimum continue. CONTRACTOR shall work with the Hospital to explore opportunities to increase the recycling and waste diversion opportunities.

- j) Contractor shall have electronic delivery methods and capable of full report analyses reflecting total purchases, volume, and costs can be run at the user's convenience without additional cost to Hospital.
- k) Contractor agrees to identify and adhere to BMP's (Best Management Practices) where applicable in all areas of the contract.

3) Additionally, hospitals often have unique service needs and programming goals. PROPOSER shall address, at minimum, the following requests.

- a) Ability to commit to response time to hospitals' complaints, changes in volume or emergency pickup situations and proposed response time.
- b) Ability to commit to specific collection windows (often hospitals need waste picked up within a predetermined window).
- c) Ability to provide necessary resources and accommodate any specialized recycling requirement.

4) SERVICE COMMITMENTS

- a) In the event the CONTRACTOR is unable to provide a discreet and specific operational request or requirement of a HOSPITAL, CONTRACTOR shall utilize a City-approved SUBCONTRACTOR to provide those specific services. The CITY shall consult with the HOSPITAL in the assignment of the SUBCONTRACTOR;
- b) In the event the CONTRACTOR fails to provide the SOLID WASTE services as required by a HOSPITAL, the CITY shall provide those services temporarily until which time the CONTRACTOR is able to meet service requirements, a new FRANCHISEE assumes exclusive responsibility for collection and processing in that service zone, or a City-approved SUBCONTRACTOR is selected. The CITY shall act as sole arbiter in determining CONTRACTOR failure. In the event the CITY assumes temporary responsibility for servicing a HOSPITAL, the CONTRACTOR shall reimburse the CITY for all costs incurred by CITY and the HOSPITAL for the CONTRACTOR'S failure to provide those services. The CITY shall consult with the HOSPITAL in the assignment of the SUBCONTRACTOR.
- c) In the event the CONTRACTOR commits a material breach of the franchise contract as it relates to the service of a HOSPITAL, the CITY shall provide those services temporarily until which time the CONTRACTOR can begin service or a new FRANCHISEE assumes exclusive responsibility for collection and processing in that service zone. The CITY shall act as sole arbiter in determining the material breach. In the event the CITY assumes temporary responsibility for servicing a HOSPITAL, the CONTRACTOR shall reimburse the CITY for all costs incurred by CITY and the HOSPITAL for the CONTRACTOR'S failure to provide those services. The CITY will consult with and will keep the affected HOSPITAL abreast throughout the process noted herein.

Christmas Tree Recycling

CONTRACTORS shall be responsible for the Christmas Tree collection services for all of their CUSTOMERS.

2.4.5 CONTINGENCY PLAN

2.4.5.1 LABOR PEACE AGREEMENT

In accordance with Section 66.33.6(c) of the Los Angeles Municipal Code, the CONTRACTOR shall provide satisfactory evidence that it, and any SUBCONTRACTOR who will provide collection services, are a party to labor peace agreement(s) with any labor organization that represents any group of the CONTRACTOR's or SUBCONTRACTOR's employees who are or will be involved in providing collection services, and with any labor organization that seeks to represent any group of a CONTRACTOR's or SUBCONTRACTOR's employees who are or will be involved in providing collection services. A labor peace agreement is an enforceable agreement between a CONTRACTOR or SUBCONTRACTOR and a labor organization (as defined by 29 U.S.C. §152(5)) that contains provisions under which the labor organization for itself and its members agrees to refrain from engaging in any picketing, work stoppages, or any other economic interference with the CONTRACTOR's or SUBCONTRACTOR's performance of collection services.

Nothing in this section requires a CONTRACTOR or SUBCONTRACTOR to recognize a particular labor organization or to enter into a collective bargaining agreement establishing the substantive terms and conditions of employment. Nor is this section intended to enact or express any generally applicable policy regarding labor/management relations, or to regulate those relations in any way, or to provide a preference for any outcome in the determination of employee preference regarding union representation.

Any failure to comply with L.A.M.C section 66.33(c) and any service disruption as a result of a labor dispute will be subject to liquidated damages and possible termination of the AGREEMENT.

2.4.5.2 CONTINGENCY PLAN SERVICE REQUIREMENTS

Each CONTRACTOR is required to have a written Contingency Plan that describes how the CONTRACTOR will provide uninterrupted collection, disposal and processing services, to the greatest practical extent, during an emergency event that may impact service delivery. Such events may include, but are not limited to:

- Business failure
- Loss of insurance
- Severe storm
- High wind
- Earthquake
- Flood
- Tsunami
- Hazardous material release
- Transportation system interruption
- Loss of any utility service
- Fire
- Terrorist activity
- Any combination of the above.

The Contingency Plan shall describe the CONTRACTOR's response protocol in the event that an emergency or other situation renders its operations yard or equipment unusable. The Contingency Plan shall describe the steps that the CONTRACTOR will take to avoid interruptions in collection, disposal and processing services.

Contingency Plans shall be updated annually and all CONTRACTOR personnel shall receive annual training on processes and procedures contained in the plan.

Each AGREEMENT will include plans and provisions for how each CONTRACTOR will be expected to provide backup support to other CONTRACTORS in the event of an emergency that impacts collection service in one or more zones. Under these provisions, the CITY will have the authority to direct available CONTRACTOR resources to FRANCHISE ZONES in which the existing CONTRACTOR is unable to provide continual service.

The Federal Emergency Management Agency (FEMA) provides guidance on the preparation of All Hazards Contingency Plans. FEMA's [Comprehensive Preparedness Guide \(CPG\) 201, Second Edition](#) provides communities additional guidance for conducting a [Threat and Hazard Identification and Risk Assessment \(THIRA\)](#).

2.4.5.3 EVENTS CAUSING POTENTIAL SERVICE INTERRUPTIONS – EXPECTATIONS TO PERFORM

CONTRACTORS are expected to provide reliable collection and customer service at all times. Interruptions in service may be subject to liquidated damages and cancelation of the AGREEMENT.

The following events may cause temporary service interruptions, which are not subject to liquidated damages:

- Riots, war, or emergencies affecting the CITY declared by the President of the United States or Congress of the United States, the Governor of California, the Los Angeles County Board of Supervisors, or the CITY;
- Sabotage, civil disturbance, insurrection, explosion, terrorist attack;
- Natural disasters such as floods, earthquakes, landslides; and
- Other catastrophic events that are beyond the reasonable control of the CONTRACTOR despite the CONTRACTOR's reasonable efforts.

CONTRACTORS shall resume service at the earliest possible opportunity after the above events.

Any event that is reasonably within the CONTRACTOR's control will be subject to liquidated damages and, potentially, cancelation of the AGREEMENT.

See Articles 6 and 7 (Business Arrangements and City Standards Provisions) describe the CITY's performance bond requirement and expectations regarding provision of continual service.

2.4.5.4 CITY REQUESTS FOR SUPPORT DURING AND AFTER A DISASTER

In the event of an emergency or disaster, the CITY may require additional services of the CONTRACTOR. Such events may include, but are not limited to, a severe storm, high wind, earthquake, flood, tsunami, hazardous material release, and transportation mishap, loss of any utility service, fire, terrorist activity or any combination of the above. AGREEMENTs will include protocols and procedures to be followed should the CITY require such additional services, as well as terms of compensation.

2.4.6 REPORTING REQUIREMENTS

As presented in Table 2-6, each CONTRACTOR will be required to provide the CITY with data and reports (at no additional cost to the CITY) as a component of complying with the contractual obligations of the AGREEMENT. Customer service information (including collection information) shall be available to the CITY in real-time, financial reports and payments (including liquidated damages) shall be submitted to the CITY on a quarterly basis, and other required reporting shall be submitted on a monthly basis.

CONTRACTORs shall have the ability to provide to the CITY required information in a variety of media. CONTRACTORs will be expected to provide some information via real-time, editable access in a format compatible with the CITY's customer service software.

CONTRACTORs, as well as all SUBCONTRACTORs that they utilize, will be required to provide reports of any information that the CITY deems necessary within a specified timeframe. Repeated violations of reporting requirements such as failure to submit to the CITY all DIVERSION reports within fifteen (15) days of the last day of the previous quarter, as an example, will be enforced through liquidated damages identified in the RFP, and may result in the termination of the AGREEMENT.

CONTRACTORs will be required to provide at a minimum, the following categories of information to the CITY:

- Day-to-Day Performance
- CITY Reporting Requirements and Verification of State DIVERSION Statistics
- CITY Facility Certification Compliance Reports and Data
- CONTRACT Compensation Compliance Related Data

2.4.6.1 PERFORMANCE DATA REPORTING

Performance data, extracted from CONTRACTOR accounts, is required to monitor CONTRACTOR performance relative to the performance standards that are included in the RFP and that are subject to liquidated damages.

The CONTRACTOR will be required to collect and provide customer service and complaint resolution information regarding the daily performance of their operations, in accordance with Section 2.3.4, which covers IT requirements. The customer service account conventions will match the CITY's account database; the CITY has authority over the definition of accounts.

TABLE 2-6

PERFORMANCE DATA REQUIREMENTS

| Required Data | Associated Elements | Format | Transmittal Frequency |
|--|--|---|---|
| CUSTOMER Information Complaint/Request Data | <ul style="list-style-type: none"> CUSTOMER complaint/request type (e.g. missed collection, change bin size, damaged CONTAINERS, etc.) Date and time of complaint/request CUSTOMER address CUSTOMER account number CUSTOMER name CUSTOMER email address Date and time of problem resolution Name/ID of customer service Representative (CSR) who received call Name/ID of Person who resolved problem | <p>Electronic in the format compatible with SANITATION's CALL CENTER</p> | Real Time |
| CUSTOMER Billing/collection | <ul style="list-style-type: none"> CUSTOMER Billing/collections Revenue data by service level | <p>Data maintained by CONTRACTOR</p> <p>Electronic in format to be Specified by SANITATION</p> | <p>Available upon request to CITY</p> <p>Monthly; within 20 days of end of the previous calendar month</p> |
| Customer Service Performance | <ul style="list-style-type: none"> Total number of calls received Percent of calls answered within the window of time required by the AGREEMENT Average call wait time | Summary reports | Weekly, Monthly, Quarterly, Annually |
| Field operations data | <ul style="list-style-type: none"> GPS tracking of trucks on route Stop/idle time at each stop Truck on-board photos/videos – tracked to CUSTOMER account for incident/accident recovery, CONTAINER empty verification and/or extras charges Vehicle Miles Traveled Safety Factors (collected via GPS) <ul style="list-style-type: none"> Vehicle speed Hard Stops Daily vehicle inspection Truck changes (status/changes in maintenance/use of CLEAN FUEL VEHICLES) | <p>Publicly available via the CONTRACTORS website</p> <p>Data maintained by CONTRACTOR</p> <p>Electronic in the format compatible SANITATION's CALL CENTER</p> <p>Summary Reports</p> | <p>Daily – real time for customer service information</p> <p>Available upon request to CITY</p> <p>Attached electronically to customer service records when extra charges, incidents (e.g., property damage) or a dispute occurs; Available to City upon Request</p> <p>Monthly – tracked and saved on-going and available to City upon request</p> |
| Accidents, incidents or collisions | <ul style="list-style-type: none"> Labor Incidents/Injuries (including reportables) Vehicle incidents/collisions Near-misses and OSHA reportable incidents Spills Requiring Third Party Response | Incident Report | Provided to CITY within 6 hours |
| SOLID RESOURCES Collection | <ul style="list-style-type: none"> Tonnage of materials delivered to TRANSFER STATIONS, Processing Facilities, and Landfills/Incinerators, reported by: <ul style="list-style-type: none"> SOLID WASTE (BLACK BIN), COMMINGLED RECYCLABLES (BLUE BIN), ORGANICS (GREEN BIN), Manure (BROWN BIN) Service level changes (CUSTOMERS choosing smaller or larger bins or changing service frequency) | Summary Reports | Monthly, Quarterly |

2.4.7 SAFETY

Prior to beginning operations under the FRANCHISE SYSTEM, each CONTRACTOR shall develop and submit an annual safety and training plan to the CITY for review and approval. This plan shall include standard operating procedures (SOP's) for safety for employees working in the field and for those at the facilities that the PROPOSER plans to use. The CONTRACTOR shall demonstrate that its safety plan, and the plans of its SUBCONTRACTORS, are in full compliance with local, State and Federal Law.

The CITY will require each CONTRACTOR to submit, annually, verification that all elements of its safety and training plan have been implemented and completed.

Any incident involving the CONTRACTOR that results in a fatality, major injury, or collision involving a private citizen's vehicle, major property damage, or major spill shall be reported to SANITATION immediately.

2.4.8 PERFORMANCE STANDARDS

To ensure that CONTRACTORS provide a high level of customer service, each will be required to meet certain performance standards grouped into eight (8) different categories:

- Implementation of FRANCHISE SYSTEM
- Provision of Services to CUSTOMERS
- CONTRACTOR Operations
- Segregation and Delivery of Collection Materials
- CONTRACTOR Personnel and Property
- DIVERSION Requirements – landfill reduction, RECYCLING and ORGANICS programs
- Payment and Reporting Requirements
- Other CONTRACTOR Obligations

Table 2-7 below lists specific performance standards and the associated liquidated damages for failing to meet the target.

TABLE 2-7

PERFORMANCE STANDARDS and LIQUIDATED DAMAGES

| Category | Performance Standard and Conditions When Liquidated Damages Will Apply | Monetary Penalty |
|--------------------------------------|--|--------------------------------------|
| Implementation of Franchise Services | Failure to implement all Collection Services enumerated in the AGREEMENT. | \$10,000 per day |
| Provision of Services to CUSTOMERS | Failure to commence service to a new CUSTOMER within five (5) business days of order | \$100 per occurrence |
| | Failure to deliver CONTAINER(s) to a CUSTOMER within five (5) business days of the CUSTOMER's request for service | \$200 per occurrence |
| | For each occurrence greater than ten (10) in a calendar year, failure to replace CONTAINERS upright, with lids in place, in their original location | \$100 per occurrence |
| | Failure to repair or replace any can, cart, CONTAINER, ROLL OFF, or COMPACTOR (any CONTAINER) within two (2) days of CUSTOMER report | \$100 per occurrence |
| | Failure to collect a missed pickup on the same business day | \$100 per occurrence |
| | Failure to collect a missed pickup one business day after missed collection | \$200; \$200 for each day thereafter |
| | Repeat miss within twelve (12) months of previous miss | \$300 per occurrence |
| | Failure to tag materials not collected due to contamination or inappropriate set out | \$200 per occurrence |
| | Failure to respond to a CUSTOMER complaint within the same business day | \$100 per occurrence |
| | Failure to respond to a CUSTOMER complaint one business day after receiving the complaint | \$200; \$200 for each day thereafter |
| | Failure to notify a CUSTOMER of an improper set out of bins, an obstruction, or other cause for inability to provide a scheduled collection service within 2 hours | \$100 per occurrence |
| | Discourteous behavior by CONTRACTOR staff | \$300 per occurrence |
| | Failure to answer 95 percent of all CUSTOMER calls received each month during normal business hours in less than 60 seconds (computed as a monthly average) | \$5,000 per Month occurred |
| CONTRACTOR Operations | Undertaking collection operations outside of allowable hours (as prescribed in Section 2.4.1.3 of this RFP) | \$300 per verified complaint |
| | Failure to complete at least 98 percent of a scheduled route on the route's scheduled day | \$500 per occurrence day |
| | Making changes to routes or route days affecting 5 percent or more of the CONTRACTOR's CUSTOMERS without at least 7 days' notice to CUSTOMERS | \$100 per CUSTOMER per day |
| | Failure to properly cover material in collection or hauling vehicles | \$300 per occurrence |
| | Failure to correct, upon notification, leakage of fluids from a collection or hauling vehicle prior to resuming use of the vehicle in the CITY | \$300 per occurrence |
| | Failure to clean up spillage or litter occurring during | \$100 per occurrence |

TABLE 2-7

PERFORMANCE STANDARDS and LIQUIDATED DAMAGES

| Category | Performance Standard and Conditions When Liquidated Damages Will Apply | Monetary Penalty |
|--|--|--|
| | collection at time of collection | |
| | Failure to have a vehicle properly licensed, registered and inspected | \$100 per vehicle |
| | Exceeding vehicle weight limits as set forth in the State of California Vehicle Code | \$1,000 per vehicle per occurrence |
| | Failure to clean collection and hauling vehicles once per week | \$100 per occurrence |
| | Excessive noise, each occurrence over five (5) in a calendar year, as defined in the CITY's NOISE ORDINANCE. | \$300 per occurrence |
| | Failure to maintain property, facilities and equipment in a clean, safe and sanitary manner | \$100 per day |
| | Failure to convert all collection vehicles that serve the CITY under the CLEAN FUEL VEHICLE standards required by Section 2.4.3 of this RFP as stated in the AGREEMENT | \$10,000 per day |
| Segregation and Delivery of Collection Materials | Failure to keep SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS material segregated once placed out for collection by the CUSTOMER without CITY approval | \$1,000 per occurrence |
| | Failure to deliver collected SOLID WASTE to an approved TRANSFER STATION or disposal facility without CITY approval | \$1,000 per occurrence |
| | Failure to deliver collected RECYCLABLE materials to an approved PROCESSING FACILITY or directly to market without CITY approval | \$1,000 per occurrence |
| | Failure to deliver collected ORGANICS material to an approved ORGANICS PROCESSING FACILITY without CITY approval | \$1,000 per occurrence |
| CONTRACTOR Personnel and Property | Failure to have a properly licensed vehicle driver | \$300 per occurrence per day |
| | Failure to provide any required training for vehicle operators, including safety training and training related to the operation of equipment, as required by Federal and State Law | \$1,000 per occurrence |
| | Failure to repair damage to a CUSTOMER's property or other private property, caused by or resulting from the actions of the CONTRACTOR's personnel within AGREEMENT specified timeframe. | \$500 per occurrence |
| DIVERSION Requirements | Failure to comply with the substantive provisions of the DIVERSION Plan, required by Section 2.6 of this RFP | \$500 per occurrence |
| | Failure to implement COMMINGLED RECYCLABLES or ORGANICS programs upon the schedule proposed in the CONTRACTOR's DIVERSION Plan. | \$1,000 per day |
| | Failure to meet Diversion Targets | \$100,000 per 1,000 tons not diverted in accordance with the AGREEMENT |

TABLE 2-7

PERFORMANCE STANDARDS and LIQUIDATED DAMAGES

| Category | Performance Standard and Conditions When Liquidated Damages Will Apply | Monetary Penalty |
|------------------------------------|---|--|
| Payment and Reporting Requirements | Failure to remit all FRANCHISE FEES and AB 939 FEES due to the CITY within thirty (30) days of the last day of the previous quarter; excluding late AB 939 FEES | \$500 per occurrence |
| | Failure to submit to CITY all DIVERSION reports, facility disposal and processing delivery reports, or other non-financial reports required by this RFP, within thirty (30) days of the last day of the previous month | \$500 per occurrence, with an additional \$1000 per day in excess of 30 days |
| | Failure to submit to the CITY all service level reports, billing reports and data, CUSTOMER complaint and resolution information, or other service and performance related reports as required by this RFP, within thirty (30) days of the last day of the previous month | \$500 per occurrence, with an additional \$100 per day in excess of 30 days |
| | Submission to the CITY of fraudulent reports or data, including but not limited to DIVERSION reports and data, service level information and financial information | \$10,000 per occurrence and possible termination of the AGREEMENT |
| Other CONTRACTOR Obligations | Failure to provide to the CITY any customer service, route, or billing related data that the CITY may need to resolve a customer service or billing complaint | \$1,000 per occurrence |
| | Failure to provide to the CITY any route data or CUSTOMER lists that the CITY may require for the future procurement of collection, disposal or processing services | \$10,000 per occurrence |

2.5 TRANSFER, DISPOSAL AND PROCESSING FACILITIES

Each PROPOSER shall provide certain assurances regarding the capacity and capability of the transfer, processing and disposal facilities it plans to use during the term of its AGREEMENT with the CITY. These requirements are described in Sections 2.5.1 and 2.5.2. Specific CITY requirements for facilities are described in Section 2.5.3. Proposed new facilities shall be described in detail in each proposal. The CITY will implement a Facility Certification Program and only those facilities Certified may accept materials under this AGREEMENT (see Section 2.5.3.2). Any facilities receiving materials under the AGREEMENT shall be subject to terms of the AGREEMENT as it relates to facilities.

2.5.1 CAPACITY REQUIREMENTS

PROPOSERs shall demonstrate their ability to appropriately process, transfer, and/or dispose all of the materials they will collect for each FRANCHISE ZONE on which they propose. Appendix 1.3, Estimated Material Volume by Franchise Zone, shows the estimated current volumes of materials being collected in each zone. PROPOSERs are required to perform their own due diligence investigation to prepare their proposals.

The PROPOSER shall provide documentation and assurances that each TRANSFER STATION, disposal facility, PROCESSING FACILITY, and ORGANICS PROCESSING FACILITY proposed to be used over the term of the AGREEMENT – including any proposed new facilities – can accept, transfer, dispose and/or process all material to be delivered to the facility by the PROPOSER during normal collection hours, six days-per-week (Monday-Saturday), fifty two (52) weeks-per-year, excluding designated HOLIDAYS.

Furthermore, the CONTRACTOR shall agree, that should facilities fail to meet these requirements at any point during the term of the AGREEMENT, the CONTRACTOR will immediately procure replacement capacity at no cost to the CITY or CUSTOMERs, or risk termination of its AGREEMENT.

2.5.2 CAPABILITY REQUIREMENTS

2.5.2.1 TRANSFER STATION CAPABILITY

The PROPOSER shall provide documentation and assurances that the TRANSFER STATIONS it proposes to utilize over the term of the AGREEMENT have the following equipment and facilities to accept, transfer, and haul for disposal or processing:

- Automated scales that accurately measure the weight of each collection vehicle entering the facility (gross weight) and leaving the facility (TARE WEIGHT) after tipping. These scales shall be certified by a city or State weights and measures authority and proof of certification shall be posted on site at the facility and available to the CITY upon request. The CITY will require that CONTRACTORS provide monthly tonnage data for SOLID RESOURCES delivered to each TRANSFER STATION it proposes to utilize.

Proposed transfer facilities shall be in compliance with their local and state permits at all times, including requirements specific to storage of all SOLID RESOURCES on site.

2.5.2.2 DISPOSAL FACILITY CAPABILITY

The PROPOSER shall provide documentation and assurances that the disposal facilities it proposes to utilize, over the term of the AGREEMENT, has at a minimum the following capabilities to accept SOLID WASTE:

- Controls to prevent unauthorized access
- Automated scales
- In the case of landfills, lining and leachate systems that meet State and Federal requirements for CLASS III LANDFILLS
- In the case of landfills, odor and dust controls systems that meet State and Federal requirements for CLASS III LANDFILLS
- Fire suppression systems that meet State and Federal requirements

All disposal facilities used by CONTRACTORS shall meet all local, State, and Federal permitting requirements. Furthermore, the CONTRACTOR shall agree that should one or more of the proposed disposal facilities fail to meet these requirements at any point during the term of the AGREEMENT, the CONTRACTOR will immediately procure replacement capacity at no cost to the CITY or CUSTOMERs or risk termination of its AGREEMENT. These requirements apply to disposal facilities to which the CONTRACTOR directly hauls waste, as well as to

disposal facilities that receive waste from the TRANSFER STATIONS utilized by the CONTRACTOR.

2.5.2.3 PROCESSING FACILITY CAPABILITY

The PROPOSER shall provide documentation and assurances that the processing facilities it proposes to utilize over the term of the AGREEMENT has the following equipment, facilities, and capabilities to accept, transfer, and haul for disposal:

- Automated scales that accurately measure the weight of each collection vehicle entering the facility (gross weight) and leaving the facility after tipping (TARE WEIGHT). These scales shall be certified by a city or State weights and measures authority and proof of certification shall be posted on site at the facility and available to the CITY upon request. The CITY requires that CONTRACTORS provide monthly tonnage data for COMMINGLED RECYCLABLES and ORGANICS (detailed by each stream within ORGANICS as applicable) material delivered to each PROCESSING FACILITY it proposes to utilize.
- Mechanical equipment, including conveyor belts, and screening devices, to efficiently separate, bale and containerize COMMINGLED RECYCLABLES for delivery to market
- Mechanical equipment, including de-bagging, pre-screening and turning equipment to efficiently compost and/or digest ORGANICS for delivery to market
- A sufficient amount of land to ensure that the amount of ORGANICS to be processed, cured and stored on-site can be done safely and within design and permit limitations. A sufficient number of short and long haul vehicles and containers to ensure that all ORGANICS can be transferred and hauled to market quickly and efficiently
- Any facility utilized in a proposal shall meet or exceed standard safety, code and regulatory requirements.

2.5.2.4 FACILITY CAPABILITY REQUIREMENTS FOR COMMINGLED RECYCLABLES

PROPOSERS are required to demonstrate how the COMMINGLED RECYCLABLES facilities that PROPOSERS plan to use will be able to effectively and efficiently process the same COMMINGLED RECYCLABLES that the CITY collects in its residential COMMINGLED RECYCLABLES program. At the CITY's discretion, PROPOSERS may be required to change the materials collected from COMMERCIAL ESTABLISHMENTs in the future in order to continue consistency between the CITY operated collection program and the FRANCHISE SYSTEM. At a minimum, PROPOSERS shall provide COMMINGLED RECYCLABLES collection consistent with residential curbside COMMINGLED RECYCLABLES provided by the CITY.

2.5.2.5 FACILITY CAPABILITIES REQUIREMENTS FOR ORGANICS – MATERIALS

PROPOSERS shall demonstrate how the ORGANICS facilities that they plan to use will be able to effectively and efficiently process the yard trimmings and food waste materials collected. At the CITY's discretion, PROPOSERS may be required to change the materials collected from COMMERCIAL and MULTIFAMILY CUSTOMERs in the future in order to continue consistency between the CITY operated collection program and the FRANCHISE SYSTEM..

2.5.2.6 CITY PROVIDED TRANSFER SERVICE

The CLARTS facility has the capacity to serve the disposal needs of the three small FRANCHISE ZONES (Downtown, East Downtown and Southeast L.A.). CLARTS is a resource for PROPOSERs who do not have their own TRANSFER STATION, as well as for PROPOSERs who find the location of CLARTS to be desirable for operational or efficiency reasons.

CONTRACTORs who are awarded one of the three small FRANCHISE ZONES shall deliver all SOLID WASTE collected in these zones to CLARTS. Other CONTRACTORs may also use CLARTS at their discretion, as facility's capacity allows.

2.5.3 FACILITY COMPLIANCE

Facilities used by CONTRACTORs for transfer, disposal, and processing of SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS shall be subject to City certification. The CITY intends to establish a Certification Program to monitor facility requirements, collect required data, and perform audits and inspections as needed to document facilities' compliance with certification criteria.

CONTRACTORs will be required to insert language in their CONTRACTs with all facilities they use which will ensure that the CITY's Facility Certification Requirements are met by the facility, whether or not the facility is located within the CITY.

Violations of the CITY's facilities requirements may result in the loss of CITY Certification.

2.5.3.1 COMPLIANCE WITH LAWS, REGULATION AND STANDARDS

All facilities utilized by the CONTRACTOR are responsible for meeting all pertinent local, State and Federal health and environmental laws, regulations, and standards applying to collection of SOLID RESOURCES. All facilities utilized by the CONTRACTOR will be required to maintain compliance records from other compliance agencies, such as the Cal OSHA. Repeated violations including, but not limited to, workplace safety requirements, may result in decertification.

2.5.3.2 MATERIAL TRACKING REQUIREMENTS

All facilities utilized by the CONTRACTOR shall be certified by the CITY through an application process. The Certification Process shall support the City's requirement for maintaining its compliance with AB939 requirements, meeting MANDATORY COMMERCIAL RECYCLING requirements, and meeting its ZERO WASTE goals.

Each facility applying for certification shall submit a Certified Processor Application/Renewal Form and quarterly DIVERSION Reports. The facility will also have to renew certification by submitting a renewal form annually. CITY staff will perform site visits to verify information in the application. Reporting requirements include but are not limited to:

- Documenting tonnage of all incoming SOLID RESOURCES by material type

- Documenting incoming SOLID RESOURCES delivered under the AGREEMENT by material type
- Detailing processing procedures, as necessary for processing facilities
- Documenting tonnage of all outgoing SOLID RESOURCES by commodities
- Documenting destination of all SOLID RESOURCES by commodities

2.6 DIVERSION PLAN

2.6.1 DIVERSION PLAN STRATEGY

The CITY has established ZERO WASTE goals which include the reduction of SOLID RESOURCES disposed to landfills, and ensuring that all CUSTOMERS have SOURCE-SEPARATED COMMINGLED RECYCLABLES collection. The CITY is also required to meet the State's MANDATORY COMMERCIAL RECYCLING rules, and to provide specific activities related to waste diversion at COMMERCIAL ESTABLISHMENTS.

Additionally, ORGANICS collection is to be continued for those that participate in the current programs for food waste and yard trimmings, and provided to all CUSTOMERS that request it. CONTRACTORS must notify CUSTOMERS that ORGANICS collection is available to them, with ORGANICS service available to all CUSTOMERS to be phased in as processing capacity becomes available. It is important to note that the CITY's existing "Rebate Program" for mixed SOLID WASTE and ORGANICS will be discontinued upon implementation of the FRANCHISE SYSTEM.

Each PROPOSER's submittal shall include a DIVERSION Plan. This plan shall demonstrate how the PROPOSER plans to reach programmatic milestones and waste disposal reduction thresholds in accordance with the CITY's ZERO WASTE goals. Proposals shall include specific annual disposal reduction targets for each FRANCHISE ZONE, using a baseline estimate provided by the CITY. Appendix 1.4, Target Disposal Tons by Zone, shows the CITY's estimated 2017 disposal tons and the 2025 target disposal tons (by zone). PROPOSERS shall describe in their DIVERSION Plan how they will achieve or exceed the target disposal reduction in tons. The CITY's expectation is that ORGANICS collection is to be expanded to all CUSTOMERS.

The PROPOSER's DIVERSION Plan shall describe the strategies it will implement to achieve its DIVERSION targets. Example strategies are listed in the second column of Table 2-8, below. However, PROPOSERS should provide additional strategies, and facilities if required. PROPOSERS should assume that a mandatory monthly meeting will be held with the CITY's DIVERSION team to gauge progress on meeting the CITY's goals. These may be considered innovative ideas, as requested in Section 2.8, and may be used in the evaluation of the PROPOSAL. The PROPOSER shall identify revenue sharing opportunities with CITY from the sale of recyclables by the CONTRACTOR.

TABLE 2-8
DIVERSION PLAN EXAMPLE STRATEGIES

| DIVERSION Plan Section | Example Diversion Strategies |
|------------------------------|---|
| Waste Audits (On site Waste) | <ul style="list-style-type: none"> • Strategy for prioritizing which CUSTOMERS will receive waste audits and |

TABLE 2-8
DIVERSION PLAN EXAMPLE STRATEGIES

| DIVERSION Plan Section | Example Diversion Strategies |
|--|--|
| Assessments) | <ul style="list-style-type: none"> recycling and composting training Number of CUSTOMERs to be targeted per year, with a minimum of 10 percent of CUSTOMERs after initial assessment and recycling roll out during transition Procedure for the inclusion of waste audit information with customer service information, as well as CONTAINER delivery, route changes, and delivery of outreach materials as applicable Number and title of staff to be assigned to waste audit roles, with a minimum of two (2) full time staff persons per 1,000 accounts Type of information and metrics collected to analyze the effectiveness of the waste audits and trainings Reporting mechanism for reporting waste audit and training statistics and results to the CITY |
| Inspections to ensure SOURCE-SEPARATION of COMMINGLED RECYCLABLES and ORGANICS | <ul style="list-style-type: none"> Use of on-site inspections at CUSTOMER locations and feedback from PROCESSING FACILITIES and TRANSFER STATIONS that unload COMPACTORS and ROLL-OFFS Visual inspection, including number and frequency per year and CUSTOMER follow up procedures, if necessary Courtesy tags, including procedure of when they will be left, how they will be tracked and followed up Warning notices, followed by calls to CUSTOMERs, when contamination is present Refusal of collection by CUSTOMER, including under what circumstances, documentation, tracking procedure, and follow up process Extra collection charges, including under what circumstances, tracking procedure, and follow up process Number and title of staff to be assigned to inspection role Types of metrics collected to analyze how waste audits and trainings relate to contamination found during the on-site inspections Feedback mechanism to improve the outreach process based on the metrics and inspection analysis outlined above Reporting mechanism for reporting on-site inspections statistics and analysis to CITY Extra collection charges for SOLID WASTE over flow and or reloading on-site, including under what circumstances, tracking procedure, and follow up process |

Failure to meet annual disposal reduction targets will result in liquidated damages. Liquidated damages for failing to meet disposal targets are presented in Table 2-7, Performance Standards and Liquidated Damages. Failure to correct performance issues resulting in liquidated damages may result in termination by default of the AGREEMENT.

2.6.2 ORGANICS IMPLEMENTATION PLAN

Since 2004, the CITY has been collecting food waste and other organic waste from restaurants. Approximately 846 restaurants currently participate in this voluntary program, and 1522 have participated in the program. Appendix 1.5, Restaurants Participating in Food Waste Program,

provides a list and a corresponding map of restaurants participating in the CITY's food waste collection program. The CITY's expectation is that ORGANICS collection is to be ultimately expanded to all CUSTOMERS that generate ORGANICS.

CONTRACTORs shall continue to serve all CUSTOMERs currently receiving ORGANICS, in accordance with the ORGANICS rate schedule, under the FRANCHISE SYSTEM.

PROPOSERs shall identify in their proposal, the ORGANICS processing facilities they plan to use during the initial transition period. Section 3.10.16.2 provides information a PROPOSER shall submit.

Proposals should include a rigorous strategic plan for comprehensive and innovative organic waste management throughout the term of the franchise. Examples of elements that could be addressed include:

- Plan for complete green bin participation in commercial and multi-family residential sectors by the completion of the franchise contract;
- Plan for processing food scraps and organic refuse into market-grade, high quality compost and mulch;
- Research, design and development of organics processing and digestion infrastructure;
- Sector-specific food waste recycling to create "super green" waste streams for use by manufacturers (e.g. food waste from restaurants or grocery stores for use by livestock feed producer or commercial composter);
- Partnerships with colleges, municipal facilities, urban farms, food processors or community organizations on consumer education and feedback, and suitable co-location of compost or food recycling operations.

2.7 COST AND FRANCHISE FEE PROPOSAL

PROPOSERs shall complete the electronic forms, Form 13: Cost and Franchise Fee Proposal. Based on information provided in those forms, the CITY shall establish rate tables for SOLID RESOURCEs service. The rate charged CUSTOMERs for SOLID WASTE service shall include a BLUE BIN CONTAINER for recycling of any size requested by the CUSTOMER (at the same collection frequency as SOLID WASTE). There will be a separate rate for ORGANICS service.

For each size and frequency and material type (SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS), PROPOSERs shall submit its costs for the following cost components:

- Collection
- Processing and Disposal
- Fuel
- Administration, customer service and Profit
- CONTAINER Rental

As specified in Article 6.23.1, CONTRACTOR shall submit to the CITY all revenue received for COMMINGLED RECYCLABLES services not provided i.e., for those customers where CONTRACTOR provides solid waste service only. PROPOSERs are expected to conduct additional ongoing outreach to those CUSTOMERs that are not initially willing to accept a BLUE BIN and/or GREEN BIN CONTAINERS.

The CITY will provide CONTRACTORs an exclusive right to serve CUSTOMERs in a FRANCHISE ZONE in accordance with the AGREEMENT. The PROPOSERs shall offer the CITY a FRANCHISE FEE, anticipated at not less than 10 percent of GROSS RECEIPTS, for this exclusive right. The FRANCHISE FEE proposed shall be submitted in Form 14: Cost and Franchise Fee Proposal as part of the electronic cost proposal forms. The Fee shall be submitted as a percent of GROSS RECEIPTS.

An example of the relationship between rates and CONTRACTOR compensation is shown in Appendix 1.6, Rate and Compensation Examples.

2.8 INNOVATIVE IDEAS

Proposers are encouraged to propose innovations that will further the CITY's FRANCHISE SYSTEM goals of achieving a DIVERSION rate of at least 90 percent by 2025, providing the highest level of customer service and providing fair and equitable rates. Examples include, but are not limited to:

- New facilities, especially recycling and organics processing facilities, that would further the CITY's DIVERSION goals if developed on an accelerated schedule;
- Innovative vehicle designs that increase the efficiency of SOLID RESOURCES collection; and
- Innovative incentive strategies that encourage a high level of DIVERSION;
- Innovative customer service standards.

The CITY is open to receiving proposals that may require a partnership with the CITY, or collaboration/partnerships between CONTRACTORs. The format for submitting innovative ideas is presented in Section 3.10.18.

The CITY is committed to a three (3)-stream collection system, BLACK BIN/BLUE BIN/GREEN BIN, for the term of all AGREEMENTs. Innovative ideas shall supplement a 3-stream collection system.

ARTICLE 3 - GENERAL REQUIREMENTS FOR RESPONDING TO THE RFP

3.1 SUBMISSION DEADLINE AND ADDRESS

All proposals shall be submitted to the CITY at the following address on or before the submission deadline stated below.

It is solely the responsibility of the PROPOSER to ensure that proposals are received at the location noted below, by the due date and time. Proposals received later than the deadline noted below will be returned, unopened, to the PROPOSER, and that PROPOSER will be eliminated from consideration for this CONTRACT. At the discretion of the CITY and the evaluation panel, additional information or documentation may be requested during the proposal review process for the purpose of clarity or completeness.

DEADLINE DATE: October 29, 2014
TIME: 3:00 p.m. PST
LOCATION: 1149 S. Broadway, 5th Floor
Los Angeles, CA 90015

ATTENTION: Lisa Carlson
TELEPHONE NO.: 213-485-2260
FAX NO.: 213-485-3671
EMAIL: zerowastela@lacity.org

Please allow sufficient time to check-in with building security when attending the mandatory Pre-proposal Meeting and when submitting a proposal. A delivery acknowledgement will be issued at the receipt of the proposal package and will be provided to the PROPOSER'S delivery agent, or in the case of commercial delivery, returned by US Mail to PROPOSER'S address, as noted on the outside of the proposal package.

3.1.1 RESOURCES

The CITY maintains a web site that provides links to most documents relating to the history of the FRANCHISE SYSTEM project. This site can be accessed at:

<http://www.lacityan.org/ZeroWasteLA/index.html>

PROPOSERS may find documents available on this site to be helpful in preparation of their proposals.

The CITY will also post any and all addenda to the RFP, written answers to questions from potential PROPOSERS received prior to the deadline stated in Section 3.6. This information can be found at the following web link:

<http://labavn.org/>

3.1.2 RFP SCHEDULE

Table 3-1 presents the schedule the CITY currently plans to follow to complete this procurement process and implement the FRANCHISE SYSTEM. The CITY reserves the right to change the schedule at its sole discretion. Any such changes will be posted as an addendum to the RFP.

TABLE 3-1
PROCUREMENT SCHEDULE

| Action | Expected Date |
|--|------------------|
| Mandatory PROPOSERS' Conference with Pre-Proposal Training | July 1, 2014 |
| Last day for PROPOSERS' technical questions | July 31, 2014 |
| PROPOSALS due | October 29, 2014 |

3.2 PROPOSAL PRESENTATION

All proposal originals shall:

1. Be unbound and photocopy ready (original copy);
2. Be typed or printed double-sided, on 8-1/2 by 11 inch size 100 percent recycled content paper: minimum font sizes are 11 point for text and 9 point in tables and figures;
3. Be enclosed in a single sealed package plainly labeled with the words "PROPOSAL FOR City-wide Exclusive Franchise System for Municipal Solid Waste Collection and Handling"
4. Not exceed the number of narrative pages as detailed in Section 3.10, exclusive of required CITY documents, resumes, references and printed materials;
5. Have continuously numbered pages
6. Label each Article and sub-section with title headers; as detailed in Table 3-2; and
7. Submit City required electronic forms in Microsoft Excel file format on a compact disk (CD).

The cover of the original proposal shall be clearly marked "Original Proposal" and the covers of the proposal copies shall be clearly marked "Proposal Copies". The CITY, at its discretion, may request additional copies at no additional cost to the CITY. All required original signatures shall be in blue or black ink. All corrections made by the PROPOSER to any part of the RFP document shall be initialed in blue or black ink.

Proposals shall be signed by an individual(s) authorized to negotiate and bind the PROPOSER contractually.

No PROPOSER shall take exception to the specifications set forth in this Article. Proposals taking exception to the specifications may be rejected as non-responsive.

3.3 NUMBER OF COPIES

Proposal packages shall fully document compliance with all proposal requirements detailed throughout this RFP and shall be submitted, by the PROPOSER(S), as follows:

- One (1) unbound original of the entire proposal, including all original signatures.
- Five (5) paper copies of the entire proposal, labeled “COPY”, in 3-ring binders.
- If applicable, one (1) unbound copy of the proposal with confidential material entirely blacked out; including statement of defense for actions brought against the CITY
- Two (2) electronic copies of the entire proposal, compatible with Microsoft Office Suite and /or Adobe Acrobat, submitted on a CD or USB flash drive.

In addition to the printed copies, all electronic forms shall be completed and submitted in their original file format.

3.4 SIGNATURE AND AUTHORITY

The proposal must be signed by an officer of the corporation, principal, partner, or other duly authorized person or persons with the authority to make the commitments required by this RFP. The signatures produced by the authorized persons representing the PROPOSER serve as a consignment, in good faith, to the RFP selection process, with no intent by the PROPOSER to withdraw the proposal once it has been submitted to the CITY for evaluation or contract award consideration.

If the proposal is made by a partnership of more than one company, a copy of the partnership agreement, the name and post office address of the partnership, a list of all partners, and the signature of all general partners must be provided. If made by a corporation, the proposal must indicate the name and state or country under which the corporation is incorporated and the name, post office address, and federal tax identification number of the corporation. If the proposal is made by a corporation, a copy of the appropriate section of the bylaws or a resolution of the board of directors of the corporation shall be furnished showing the authority of the officer who has signed the proposal and proposal forms to execute contracts on behalf of the corporation. If the proposal is made by a joint venture, a copy of the joint venture agreement, the name, post office address, and organizational status of each of the joint ventures must be provided. Where a joint venture is composed of one or more partnerships, corporations, or other entities, the information specified in this paragraph must be provided for each entity. Each proposal form submitted by a joint venture must be signed by all parties to the joint venture agreement.

In proposals containing proprietary information, proprietary paragraphs and/or other data should be clearly marked as noted below in Section 3.7. The PROPOSER must include one extra unbound copy of the proposal with the confidential material totally blacked out or removed from the text so that one copy is available as public material.

3.5 PRE-PROPOSAL MEETING

The CITY will conduct a MANDATORY pre-proposal meeting. Any entity (corporation, joint partnership, etc.) that may be considering submitting a proposal to service one or more FRANCHISE ZONE is required to attend this meeting. Potential PROPOSERs should send

technical staff that will be preparing proposals and forms, as well as a member of the proposal preparation team, as there will be discussions about proposal preparation. At this meeting, an overview of the RFP will be presented by CITY staff, verbal questions taken from those in attendance, and an overview provided of the CONTRACT procurement process and schedule, including key milestones. This meeting will also include Business Inclusion Program (BIP) training and "Pre-Proposal Training" training on how to prepare and submit proposal forms. The MANDATORY pre-proposal meeting, including the Business Inclusion Program (BIP) training and Pre-Proposal Training will be held on:

DATE: July 1, 2014
TIME: 9:00 a.m. PST (please allow at least 3 hours for this meeting)
LOCATION: Edward R. Roybal, Board of Public Works Session Room
Room 350 City Hall
200 North Spring Street (Entrance is off N. Main Street)
Los Angeles, California 90012

NOTE: ATTENDANCE AT THE PRE-PROPOSAL MEETING IS MANDATORY. FAILURE TO ATTEND WILL RESULT IN WITHDRAWAL OF THE PROPOSAL FOR NON-COMPLIANCE

3.5.1 PRE-PROPOSAL TRAINING

As part of the Pre-Proposal meeting CITY staff will provide training on how to prepare and submit proposal forms.. This session will describe how to complete cost proposal forms, as well as other required submittal forms. PROPOSERs are encouraged to send the individual(s) who may be preparing submittal forms to this training opportunity.

3.6 QUESTIONS REGARDING THE RFP

Potential PROPOSERs may submit technical questions regarding the RFP, in writing, to the CITY, on or before July 31, 2014. The CITY will make every attempt to answer all written technical questions regarding the RFP that are submitted in writing on or before, July 31, 2014.

Questions shall be submitted in writing to:

Lisa Carlson
Bureau of Sanitation
City of Los Angeles
1149 S. Broadway
5th Floor, MS 944
Los Angeles, CA 90015-2213

Questions pertaining to the CITY Policy attachments and associated forms (Appendix 7) are to be submitted to the department or bureau referenced in the attachment.

All questions submitted by potential PROPOSERs, and associated answers will be posted on the CITY's web site at: <http://labavn.org/>.

3.7 CONFIDENTIAL INFORMATION

Proposals made in response to this RFP may contain technical, financial, or other data whose public disclosure could cause substantial injury to the PROPOSER's competitive position or constitute a trade secret. To protect such data from disclosure, the PROPOSER should specifically identify the pages of the proposal that contain confidential information by properly marking the applicable pages and inserting the following notice in the front of the proposal:

“NOTICE”

“The data on the pages of this proposal identified by an asterisk (*), or marked along the margin with a vertical line, contains information which are trade secrets and/or whose disclosure would cause substantial injury to the PROPOSER's competitive position. The PROPOSER requests that such data be used only for the evaluation of its proposal, but understands that disclosure will be limited to the extent that the CITY determines is proper under federal, state, and local law.”

Failure to include such a statement shall constitute a waiver of the PROPOSER's right to exemption from disclosure and authority for the CITY to provide a copy of the bid or any part thereof to the requestor. The CITY assumes no responsibility for disclosure or use of unmarked data for any purpose. In the event properly marked data are requested, the PROPOSER will be advised of the request and may expeditiously submit to the CITY a detailed statement indicating the reasons it has for believing that the information is exempt from disclosure under federal, state, and local law. This statement will be used by the CITY in making its determination as to whether or not disclosure is proper under federal, state, and local law. The CITY will exercise care in applying this confidentiality standard but will not be held liable for any damage or injury that may result from any disclosure that may occur. The PROPOSER agrees to assume and pay for all costs incurred by the CITY, including attorneys' fees awarded by the court, if the PROPOSER requests the CITY to resist disclosure of material provided to the CITY by the PROPOSER, provided the CITY determines that said materials are exempt under federal, state, and local law.

3.8 RFP ITEMS NOT COVERED

Proposals should cover the statement of work and all the RFP specifications. Otherwise, PROPOSERs should state why the RFP requirements are not being addressed. If PROPOSERs wish to present qualifications in addition to the required items stated, information should be presented under the heading “Additional Qualifications We Wish to Present”. PROPOSERs who do not wish to present such information should state, “There are no additional qualifications we wish to present”.

3.9 PROPOSAL COST AND OWNERSHIP

Each proposal prepared in response to this RFP shall be prepared at the sole cost and expense of the PROPOSER and with the expressed understanding that no claims against the CITY for reimbursement will be accepted. All proposals will become the property of the CITY and will not be returned to the PROPOSER. The PROPOSER should not include confidential information or trade secrets without expressly stating and identifying the information or trade secrets to be considered confidential, since all accepted proposals will become public information following

the closure of the RFP selection process. However, if such information is necessary to assure a competitive proposal, then the PROPOSER is to follow the guidelines for confidential information as discussed above.

3.10 PROPOSAL FORMAT

Each proposal shall be organized in accordance with this Section as outlined in Table 3-2. Instructions for preparing each Section of the proposal shown in the outline are given in the following sections. Proposals that do not follow the specified format outlined below, or fail to provide the required documentation, may receive lower scores. In the event of any conflict between any of the proposal documents, resolution thereof shall be at the CITY's sole discretion.

PROPOSERs shall provide the information as requested and as applicable to the proposed services. Some proposal elements require a proposal for any areas that may be awarded (such as billing plans and qualifications), others require information specific (for example, rates) for each FRANCHISE ZONE (and BUNDLED FRANCHISE ZONES) for which a PROPOSER is submitting a proposal.

Each subsection of a proposal shall include the following information:

- Required written narrative (where specified, certain subsections may not require this)
- Proposer attachments (certain subsections may not require these)
- Required forms (certain subsections may not require these)

Heading, Article, and Section numbering utilized in the proposal shall be the same as those identified in Table 3-2. Proposals shall include the following information in the format indicated.

**TABLE 3-2
OUTLINE FOR PROPOSALS**

| Major Section | Sub Section | Relevant RFP Sections |
|--|--|-----------------------|
| 1. General Information (Narrative Limited to 7 Pages) | Cover Letter | 3.10.1 |
| | Executive Summary | 3.10.2 |
| | Performance Security Commitment | 3.10.3 |
| | Acknowledgement of Addenda | 3.10.4 |
| | Table of Contents | 3.10.5 |
| | Proposal Form for Franchise Zones | 3.10.6 |
| | Zone Specific Capabilities | 3.10.6 |
| 2. Qualifications (Narrative Limited to 10 Pages) | Project Team and Resumes | 3.10.7 |
| | Firm Qualifications, Experience and Past Performance | 3.10.8 |
| | Litigation History | 3.10.9 |
| | Workplace Safety Record | 3.10.10 |
| | Financial Qualifications | 3.10.11 |
| | References | 3.10.12 |

TABLE 3-2
OUTLINE FOR PROPOSALS

| Major Section | Sub Section | Relevant RFP Sections |
|---|--|-----------------------|
| 3. Customer Service, Outreach and Education/Training (Narrative Limited to 20 Pages) | Customer Service Business Processes and Capabilities | 3.10.13.1, 2.3.1 |
| | Customer Service Staffing Plan | 3.10.13.1, 2.3.1 |
| | Outreach and Education | 3.10.13.2, 2.3.2 |
| | Billing | 3.10.13.3, 2.3.3 |
| | Technology | 3.10.13.4, 2.3.4 |
| | Transition Plan | 3.10.14, 2.3.5 |
| 4. Service Plan (Narrative Limited to 25 Pages) | Collection Services | 3.10.15.1, 2.4.1 |
| | Containers | 3.10.15.2, 2.4.2 |
| | Vehicles and Routing | 3.10.15.3, 2.4.3 |
| | Collection and Field Staffing | 3.10.15.3, |
| | Transfer, Disposal and Processing Facilities | 3.10.15.4, 2.5 |
| | Special Services Proposal | 3.10.15.5, 2.4.4 |
| | Contingency Plan | 3.10.15.6, 2.4.5 |
| | Facility Safety and Compliance | 3.10.15.7, 2.5.3 |
| | Reporting | 3.10.15.8, 2.4.6 |
| | Safety | 3.10.15.9, 2.4.7 |
| | Performance Standards | 3.10.15.10, 2.4.8 |
| 5. Diversion Plan (Limited to 13 Pages) | Diversion Plan Strategy | 3.10.16.1, 2.6.1 |
| | Organics Implementation Plan | 3.10.16.2, 2.6.2 |
| 6. Cost and Franchise Fee Proposals | Cost Proposal | 3.10.17.1, 2.7.1 |
| 7. Innovative Ideas Requires form to be completed for each innovation | One form to be completed for each innovation | 3.10.18, 2.8 |
| 8. Appendices | | 3.10, Article 8 |

3.10.1 COVER LETTER

Required narrative:

All proposals shall be accompanied by a cover letter and should provide the following information:

1. The name, addresses, telephone number, and e-mail address of PROPOSER's proposed CONTRACT MANAGER.
2. A description of the type of organization (e.g. corporation, partnership, including joint venture teams and SUBCONTRACTORS) submitting the proposal.
3. The name of the authorized person who will sign the AGREEMENT, in the event one is awarded.
4. A written statement certifying that the PROPOSER has examined, understood, and agreed to all requirements set forth in this RFP, signed by the authorized person who will sign the AGREEMENT.
5. A written statement warranting that the service and performance requirements as described in this RFP, its enclosures, attachments, and all addenda, by listing all addenda and dates received, have been thoroughly reviewed and the PROPOSER has conducted all due diligence necessary to confirm material facts upon which the proposal is based.
6. A written statement acknowledging the validity of the proposal contents including the proposed rates through January 9, 2027.

3.10.2 EXECUTIVE SUMMARY

The CITY is seeking proposals from SOLID WASTE collection firms with experience as a service provider to commercial and multifamily customers, executing DIVERSION programs and strategies, providing a high level of customer service, and who demonstrate a commitment to environmental excellence and worker safety.

Required narrative

The Executive Summary shall highlight the major elements of the PROPOSER's qualifications and proposal, including a brief description of facilities to be used. All information should be provided in a concise manner. See Article 5 for additional details on PROPOSER technical and financial qualifications.

3.10.3 PERFORMANCE SECURITY COMMITMENT

Submit as an attachment: (PROPOSER Attachment 1: Performance Bond Commitment Letter)

PROPOSERS shall submit a Performance Bond Commitment Letter or a letter stating that the PROPOSER will provide a Letter of Credit. Either letter shall be for one of two values: If the PROPOSER is proposing only on Zones SE, DT, and/or EDT, the letter shall be for 1.1 million dollars (\$1,100,000). If the Proposer is proposing on any of the other ZONES, the letter shall be for a total of eight million dollars (\$8,000,000). The exact amount of the required bond will be determined depending on the ZONE(s) awarded.

3.10.4 ACKNOWLEDGEMENT OF ADDENDA

Submit as attachment: (PROPOSER Attachment 2: Acknowledgement of Addenda)

PROPOSERs shall acknowledge receipt of each addendum to this RFP by signing in the space provided on the issued addendum and by submitting all addenda with their proposal.

3.10.5 TABLE OF CONTENTS

The PROPOSER's submittal shall include a Table of Contents with page numbers indicating the location in the submittal where each Section of the submittal begins. All attachments or appendices shall be identified in the Table of Contents as well (including page numbers). The organization shall follow the structure presented above in Table 3-2 and as outlined throughout Section 3.10, with sequential page numbering throughout the document.

3.10.6 PROPOSAL FORM FOR FRANCHISE ZONES

The PROPOSER's submittal shall include, following the Table of Contents, a completed proposal Form for FRANCHISE ZONEs (Form 1: Franchise Zones). This form requires the PROPOSER to identify the FRANCHISE ZONEs for which it is submitting proposal(s). The PROPOSER shall also submit a proposal form that identifies those FRANCHISE ZONEs for which it is proposing any unique or tailored service delivery approaches that the CITY should take note of in the proposal evaluation process (Form 2: Zone Specific Capacity).

3.10.7 PROJECT TEAM AND RESUMES

Required narrative

Each PROPOSER shall describe qualifications and structure of project management team including team members who will manage day to day operations, relationships between management team and corporate management, and internal controls;

Submit as attachment: (PROPOSER Attachment 3: Project Team and Resumes)

The PROPOSER shall provide resumes for the project management team described above.

3.10.8 FIRM QUALIFICATIONS, EXPERIENCE AND PAST PERFORMANCE

Required narrative (limited to 10 pages):

Each PROPOSER shall describe its qualifications, experience and performance history in relation to the following:

- Qualifications and structure of project management team including team members who will manage day to day operations, relationships between management team and corporate management, and internal controls;
- PROPOSER's performance of similar services in other jurisdictions including California, and in the CITY;
- Previous experience providing similar services at a similar scale;

- Previous history of providing a high level of customer service, consistent with or superior to what is required by the CITY;
- A list of previous customers to serve as references, representative of the CUSTOMERS that would be served under the FRANCHISE SYSTEM;
- Previous experience in achieving high DIVERSION rates, as required by the CITY's ZERO WASTE goals;
- PROPOSER's experience and performance in FRANCHISE SYSTEM transitions;
- Experience in coordinating service provisions with other contractors; and

PROPOSERs are encouraged to submit data, or other supplementary information to support their response to this component of the proposal.

3.10.9 LITIGATION HISTORY

Submit Form 3: Litigation History:

The PROPOSER shall provide a history for the last ten (10) years of all claims settlements, arbitrations, litigation proceedings, and civil actions involving One Hundred Thousand Dollars (\$100,000) or more, and all criminal actions in which the company, its parent company, subsidiaries, all partners, or principals were involved. For each case, the PROPOSER shall provide the following:

- The name of the claim, arbitration, litigation or action;
- The amount at issue or the criminal charges alleged;
- The status of the claim, arbitration, litigation or action; and
- The resolution of the case.

The PROPOSER shall also provide details of any current or threatened legal actions against the PROPOSER or its parent company, subsidiaries, all partners, principals, or joint venture company(s) by a governmental entity contracting with the PROPOSER or its parent company for services relating to SOLID RESOURCES management, or against such a government entity by the PROPOSER or its parent company or joint venture company(s). For each action, the PROPOSER shall provide the following:

- The name of the action;
- The court in which the action is pending;
- The action number; and
- The amount at issue.

The PROPOSER shall provide a list of all enforcement actions taken against it and its SUBCONTRACTORs during the last five (5) years by any regulatory agency such as, but not limited to, the United States Environmental Protection Agency, State or local Air Quality Management District, State Water Resources Control Board or a Local Enforcement Agency under the California Integrated Waste Management Act. The list shall include the name of the regulatory agency and the date of the enforcement action.

The PROPOSER shall inform the CITY if it has had a permit, franchise, license, entitlement or business license revoked or suspended in the last five (5) years.

The PROPOSER shall list any liquidated damages, administrative fines, charges, or assessments that total Ten Thousand Dollars (\$10,000) or greater in any one (1) calendar year during the last five (5) years that have been paid by the PROPOSER to a public agency as a result of collection services provided by PROPOSER. The list shall include the name of the public agency, the date and amount of the liquidated damages, administrative fines, charges, or assessments, and the reason the public agency assessed the liquidated damages, administrative fines, charges, or assessments.

The PROPOSER shall list any claims against a bid, proposal, or performance bond and the results and failure to receive a bid, proposal, or performance bond, or any contractual defaults or termination in the last twenty (20) years.

3.10.10 WORKPLACE SAFETY HISTORY

Submit Form 4: Safety Performance Questionnaire:

In addition, the PROPOSER shall complete the Form 4: Safety Performance Questionnaire for its entities, SUBCONTRACTORs and facilities included in the proposal. The form includes listing for the past ten (10) years, any violations of Federal OSHA or Cal OSHA workplace safety laws, including the nature of the violation, penalties assessed and corrective actions taken to address and prevent the violation from occurring again. The list shall include any such violations by the PROPOSER's SUBCONTRACTORs and facilities which the PROPOSER intends to use as part of its proposed operations. All questionnaires will be evaluated against industry standard safety statistics and the requirements of the OSHA regulations in relation to the activity to be performed.

Please note that the questionnaire requests copies of the following information:

- OSHA 300 Logs (for the past 5 years)
- Experience Modification Rate (EMR) documentation from your insurance carrier for 3 most recent years
- If your EMR is over 1.0, please attach a written explanation of the methods that are being implemented by your company to reduce this rate. Additional information is requested as applicable throughout the questionnaire

The CITY reserves the right to request additional safety program information to substantiate the information provided in the questionnaire.

3.10.11 FINANCIAL QUALIFICATIONS

Submit as attachment: (PROPOSER Attachment 4: Financial Qualifications)

The PROPOSER shall provide copies of audited financial statements for the entity that is proposed to sign the AGREEMENT from the three (3) most recent fiscal years. Audited financial statements should include: balance sheet, income statement, cash flow statement, footnotes, and subsidiary schedules. In the event that a PROPOSER does not have audited financial statements, three (3) years of business tax returns, with supporting schedules, may be provided. Tax returns are an alternative to providing audited financial statements; if the PROPOSER has audited financial statements, those shall be provided.

1. If the entity that will sign the AGREEMENT has a parent company or is proposing a joint venture, the parent company or joint venture company(s) shall also provide audited financial statements from the three (3) most recent fiscal years. The parent company shall provide a statement indicating its intent and means to provide financial assurance of performance.
2. If the entity that will sign the AGREEMENT has been in existence less than three (3) years, the PROPOSER shall provide sufficient financial data to substantiate, to the satisfaction of the CITY, the PROPOSER's financial capability and viability of the entity.
3. In addition to the audited financial statements, the PROPOSER shall provide a statement from the Chief Financial Officer indicating that there has been no material change in the financial circumstances of the proposing entity (or its parent company or owners if they are providing financial assurance of performance) since the date of the last audited financial statements.
4. Financing of the services and equipment will be the sole responsibility of the successful PROPOSER. Each PROPOSER shall demonstrate that it can provide the required financing from either 1) internally generated funds, or 2) commitments from external sources.

The CITY reserves the right to require submission by the PROPOSER, at no cost to the CITY, of an opinion by a Certified Public Accountant with regard to the financial status of such PROPOSER, including ownership of, or interest in, equipment and facilities prior to award of an AGREEMENT.

As is set forth in this RFP, the CITY will make reasonable efforts, but makes no representation that it will be able to maintain total confidentiality of PROPOSER's financial information. A PROPOSER that submits financial information that it asks to have treated as confidential should submit a statement justifying the request, cross reference it in the proposal and label it as a separate attachment, clearly identifying it as confidential. At all times, the CITY will comply with the provisions of the California Public Records Act.

3.10.12 REFERENCES

Submit Form 5: References:

PROPOSERS shall submit the names and contact information for either three (3) multifamily and three (3) commercial customers that can serve as references, or from three (3) municipal clients, if available. PROPOSERS shall identify the number of multifamily and commercial accounts serviced for each municipal reference, the type of DIVERSION programs, and the DIVERSION results for the last three (3) years.

3.10.13 CUSTOMER SERVICE, OUTREACH AND EDUCATION/TRAINING

The PROPOSER's customer service, outreach and education/training plan proposal shall include the following (narrative limited to 20 pages):

3.10.13.1 CUSTOMER SERVICE BUSINESS PROCESSES AND CAPABILITIES

Required narrative:

1. Description of the PROPOSER's protocols and procedures for receiving, prioritizing and ensuring the prompt resolution of customer service complaints; if available, the PROPOSER may submit an electronic copy of its Call Center procedures manual and/or workflow diagrams that describe how CUSTOMER calls are handled
2. Describe key performance metrics used to measure Call Center performance
3. A description of the PROPOSER's telephone system, including ACD capabilities, capability to interface with the SANITATION's CALL CENTER phone system, and features that may impact, positively or negatively, the PROPOSER's ability to handle a large volume of CUSTOMER calls during normal business hours
4. Description of the PROPOSER's protocols and procedures for receiving, prioritizing and ensuring prompt resolution of customer service complaints outside of normal business hours
5. Description of the PROPOSER's protocols and procedures for receiving, prioritizing and ensuring prompt response to CUSTOMERS with special service needs as described in Article 2.4.4

Submit as attachment: (PROPOSER Attachment 5: Training Plan)

6. A copy of the PROPOSER's training plan for all employees, including PROPOSER Call Center staff, drivers, and field response staff regarding processes and procedures for receiving, prioritizing and effectively responding to customer service complaints, billing issues, and other CUSTOMER needs.

Submit Form 6: Proposed Customer Service Staffing Plan

- Form 6: Proposed Customer Service Staffing Plan

3.10.13.2 OUTREACH AND EDUCATION

Required narrative:

7. A description of the PROPOSER's overall, ongoing approach to educate and inform the CUSTOMERS on opportunities to reduce disposal of SOLID WASTE by increasing DIVERSION and ORGANICS DIVERSION. The PROPOSER should describe how its proposed approach has worked successfully in other jurisdictions (including in California), or within the CITY if the PROPOSER has not undertaken such campaigns elsewhere, and describe the unique advantages of its approach.

3.10.13.3 BILLING

Required narrative:

8. A description of the PROPOSER's billing system (including software vendor, software version, server and database platform), a description of the ease with which modifications can be made to the system to add additional messages to the bill, change billing frequencies, add or reduce the level of detail presented on the CUSTOMER's bill, etc.

9. A description of the PROPOSER's capabilities to provide electronic billing and payment services, including web based billing and payment, ACH debit payment, billing and payment by mail, and any other formats.

Submit as attachments : (PROPOSER Attachment 6: Billing)

10. A copy of the PROPOSER's policies and procedures for handling CUSTOMER late payments and bad debts;
11. A copy of five (5) representative MULTIFAMILY residence bills from the past year; and
12. A copy of five (5) representative COMMERCIAL ESTABLISHMENT bills from the past year.

3.10.13.4 TECHNOLOGY REQUIREMENTS

This section addresses the PROPOSER's technology capabilities. The details of the specific systems that are used to capture and report Customer Service, Field Operations and Franchise Administration data are to be provided, as stipulated in previous sections of the RFP. The narrative also provides information on prior experience.

Required narrative:

Each PROPOSER shall describe in detail each of the following items related to its technology capabilities:

1. Planned IT roadmap (i.e., detailed timeline) for meeting all technology requirements of the FRANCHISE SYSTEM (described in Section 2.3.4) by the start of the transition period, including but not limited to: acquisition or expansion of hardware, software, network services, data and/or call center facilities, training of staff on technical systems.
2. Customer Service, Outreach and Education technical approach, including software, hardware and processes relating to how the PROPOSER will respond to:
 - Respond to, update and provide notifications on customer support requests and how the CONTRACTORS systems will be used in conjunction with the CITY's CRM
 - Provide a CUSTOMER facing web self-service system to allow for storing and updating account information, paying and viewing historical billing information and to track current location of collection vehicles
 - Allow CITY staff to view up to date customer bill payment history and service level
 - Track and report customer outreach and educational activities and their effects
3. Field Operations, technical approach, including software, hardware and processes relating to how the PROPOSER will:
 - Track and provide details on CUSTOMER service levels and extra services provided
 - Track and provide details on vehicle inventory
 - Provide hauling route details and updates
 - Track and provide details on vehicle inspections, location data and vehicle operational data
 - Capture and provide photographic and/or video surveillance in a digital format
 - Track and submit details relating to accidents, incidents or collisions
 - Track and submit details relating to personnel training, licenses, safety, and tailgates.
4. SOLID RESOURCES Collection, technical approach, including software, hardware and processes relating to how the PROPOSER will
 - Track and report on quantities of SOLID WASTE, RECYCLABLES, and ORGANICS collected
5. Cost and Fee (Franchise Administration) Information technical approach, including software, hardware and processes relating to how the PROPOSER will
 - Track and provide details for CUSTOMER billing, GROSS RECEIPTS, fees and liquidated damages due to the CITY

6. Past experience relating to:

- Technical approaches in fulfilling requirements for Items 2 – 5 above.
- Systems integration and data exchange with other clients. Provide specific examples of the integration of customer service data and reporting data (see Table 2-6). Additional categories for integration and data exchange may be included to demonstrate the PROPOSER's experience.

7. Additional detailed information relating to:

- Data backup and storage plans and procedures
- Use of additional software that will enhance the PROPOSER'S ability to implement and manage a FRANCHISE SYSTEM AGREEMENT.
- Any technical innovations should be included by completing an innovative idea form.

Submit as attachments: (PROPOSER Attachment 7: Technology)

1. Documentation of support for existing IT systems including: response times for the resolution of IT system or other system failures and CONTRACTORS IT Help Desk Support hours of operation.
2. Organization charts reflecting the technical support resources, including internal and external resources and services
3. Change management plan, defining how software changes are planned and implemented
4. Configuration management plan, defining how configuration changes are tested and implemented

3.10.14 TRANSITION PLAN

The PROPOSER's transition plan proposal shall include the following (narrative limited to 10 pages):

3.10.14.1 CUSTOMER CONTACT AND ACCOUNT SET UP

Required narrative:

- Describe processes and timelines for contacting CUSTOMERS to set up accounts and billing.
- Description of process to identify, outreach to, and implement collection of all existing food waste and yard trimmings CUSTOMERS to be served at the service start date
- Describe processes, media formats (in person, door hangers, web, etc.) and timelines for informing and educating CUSTOMERS about new service options available to them; source separation requirements and other relevant service information.
- Description of how the availability of ORGANICS collection will be communicated to COMMERCIAL ESTABLISHMENTS, including MULTIFAMILY

Submit the following form:

- Form 7: Proposed Transition Plan

3.10.14.2 PROCUREMENT AND HIRING PLAN

Required narrative:

- Proposed schedule to procure new CONTAINERs and new vehicles required, and to support services provided under the FRANCHISE SYSTEM
- Proposed schedule for hiring and training project staff
- Description of efforts to support the First Source Hiring Ordinance

3.10.14.3 CONTAINER DELIVERY PLAN

Required narrative:

- Describe the plan and milestones for delivering all required CONTAINERs to CUSTOMERs. Refer to Article 2.3.5.5 for additional details.

3.10.14.4 TRANSITION STAFFING AND BUSINESS PROCESSES FOR CUSTOMER SERVICE

Required narrative:

- A description of any technologies, business process changes that will be employed during transition to respond to high volumes of CUSTOMER complaints, service requests and other inquiries.

3.10.15 SERVICE PLAN

The PROPOSER's service plan proposal shall include the following (narrative limited to 25 pages):

3.10.15.1 COLLECTION SERVICES

Required narrative:

- Describe any strengths or advantages of the PROPOSER's day to day approach to service delivery, including base yard locations, processes for managing daily staffing levels, processes for ensuring missed collections are minimized, on board technologies to ensure prompt resolution of CUSTOMER issues, and available capacity to send field representatives to provide on-site CUSTOMER assistance.

Submit the following forms:

- Form 8: Collection Vehicles
- Form 9: Collection and Field Response Staff

3.10.15.2 CONTAINERS

Required narrative:

- Proposed plan for repairing, replacing and maintaining CONTAINERS in accordance with requirements of Section 2.4.2

3.10.15.3 VEHICLES AND ROUTING

Required narrative:

- Procedures and protocols in place to ensure compliance with the CITY's restrictions on collection hours
- In-vehicle or portable technology to ensure that collection workers properly record work performed each day, including provision of EXTRA SERVICES, circumstance where service was not performed due to a blocked CONTAINER, etc.
- Proposed processes, procedures, protocols and technology (including GPS and routing software) to ensure efficient routing of collection vehicles in a manner that minimizes route-miles, provides collection service at the lowest possible costs, enhances safe routing such as minimizing left turns, and minimizes vehicle impacts on air quality.

Submit the following form:

- Form 10: Collection Routes and VMT

3.10.15.4 TRANSFER, DISPOSAL AND PROCESSING FACILITIES

Required narrative:

- Capabilities of proposed transfer, disposal and processing facilities in relation to the requirements of Section 2.5.2
- Documented performance advantages of all transfer, disposal, and processing facilities proposed to be used
- Known plans to expand, retrofit or upgrade facilities, including collection yards proposed to be used
- Proposed plans to bring into service additional transfer, disposal or processing facilities (including new facilities) during the term of the AGREEMENT

Submit as attachment: (PROPOSER Attachment 8: Transfer, Disposal and Processing Facilities)

- A letter from an authorized agent of each facility the PROPOSER plans to use over the course of its AGREEMENT with the CITY that verifies the facility's permitted capacity, capabilities, and compliance with the requirements of Section 2.5. Each letter of agreement shall confirm that the facility will provide the capacity required by the PROPOSER over the term of the AGREEMENT.

Submit the following form:

- Form 11: Facilities

3.10.15.5 SPECIAL SERVICES

Required narrative:

- Describe proposed plans, including resource commitments, to service the needs of industries and CUSTOMERS with unique service needs, as described in Section 2.4.4
- Describe proposed plans to utilize existing service providers, as SUBCONTRACTORS, to serve any or all of industries and CUSTOMERS described in Section 2.4.4
- Any distinguishing business processes, capabilities and/or resources the PROPOSER offers to provide a superior level of customer service to those industries and CUSTOMERS described in Section 2.4.4

3.10.15.6 CONTINGENCY PLAN

Required narrative:

- Description of Contingency Plan Training for PROPOSER employers; documentation that employees receive training at least annually;
- Description of any events in the past three (3) years where the PROPOSER has had to execute its Contingency Plan; and
- Written description and/or other information describing the PROPOSER's capabilities to support the CITY during and after a major emergency or disaster, such as an earthquake.

Submit as an attachment: (PROPOSER Attachment 9: Evidence of Labor Peace Agreement)

- An affidavit verifying compliance with Article 2.4.5.1 of this RFP and Section 66.33.6(c) of the Los Angeles Municipal Code. PROPOSERS may use Form 15 to satisfy this requirement.

Submit as an attachment:

- Contingency Plan: Copy of PROPOSER's Contingency Plan (provide electronically with proposal submittal).

3.10.15.7 FACILITIES COMPLIANCE

Required narrative:

- Description of the extent to which the facilities proposed to be used by the PROPOSER during the term of the AGREEMENT are in compliance with the requirements of Section 2.5.3
- For proposed facilities that may be out of compliance at the time of this submittal, a statement of commitment from the PROPOSER to bring those facilities, to the extent feasible, into compliance with the requirements of Section 2.5.3

3.10.15.8 REPORTING

Required narrative:

- Description of the PROPOSER's technical capabilities to ensure timely reporting and data transfer to the CITY as described in Section 2.4.6; the description shall include an overview of the server, database and any other IT capabilities that will facilitate the efficient and accurate availability and/or transfer of information to the CITY

- Description of how the PROPOSER has effectively implemented the efficient and accurate transmittal of electronic data for at least three (3) other clients with requirements similar to the CITY's

3.10.15.9 SAFETY

Submit as attachment: (PROPOSER Attachments 11: Safety)

- Copy of the PROPOSER's safety plan (Injury and Illness Prevention Program including protocols and procedures), as well as the safety plans for SUBCONTRACTORS and facilities the PROPOSER plans to use during the term of the AGREEMENT
- Copy of the PROPOSER's annual safety training schedule, as well as annual safety training schedule for SUBCONTRACTORS and facilities the PROPOSER plans to use during the term of the AGREEMENT
- Documentation confirming the PROPOSER's (including all SUBCONTRACTORS' and facilities') compliance with State and Federal Workplace Safety laws for the past five (5) years

3.10.15.10 PERFORMANCE STANDARDS

Required narrative:

- Describe internal quantitative performance measures used by the PROPOSER to ensure a high degree of customer field service, including timely response measures.
- Describe performance measures that have been used by customers and/or other jurisdictions to hold the PROPOSER accountable for customer field response.

3.10.16 DIVERSION PLAN

The PROPOSER's diversion plan proposal shall include the following (narrative limited to 13 pages):

3.10.16.1 DIVERSION PLAN STRATEGY

Required narrative:

- Description of how the PROPOSER plans to reach programmatic milestones and waste disposal reduction thresholds to meet the CITY's ZERO WASTE goals including a description and list of programs to be implemented.
- Description of proposed processing facilities (including COMMINGLED RECYCLABLES and ORGANICS) if any, including timeline for construction and commissioning
- For each diversion program discussed in the Diversion Plan, briefly address:
 - Diversion theme, implementing strategy, and/or methodology
 - Target audience
 - Tracking, reporting, feedback, and follow-up procedures

Submit the following forms:

- Form 12: Diversion Plan

3.10.16.2 ORGANICS IMPLEMENTATION PLAN

Required narrative:

- Description of additional ORGANICS to be targeted through new and/or expanded collection and diversion programs over the term of the AGREEMENT.
 - Develop metrics on how ORGANICS is expanded over the course of the term of the AGREEMENT
 - Education and outreach on ORGANICS and its expansion
 - Description of how the availability of ORGANICS collection will be communicated to COMMERCIAL ESTABLISHMENTS, including MULTIFAMILY

3.10.17 COST AND FRANCHISE FEE PROPOSALS

3.10.17.1 COST PROPOSAL

- Submit Form 13: Cost and Franchise Fee Proposal:

The PROPOSER shall complete and submit electronically a cost and franchise fee proposal form for each FRANCHISE ZONE (including BUNDLED FRANCHISE ZONES) for which it submits a proposal. The forms require PROPOSERs to provide costs that will be used to establish rates for the base service package as well as rates for additional services. The forms require that PROPOSERs submit the following:

- FRANCHISE ZONEs and BUNDLED FRANCHISE ZONEs for which PROPOSER is submitting a proposal.
- Unit costs for select service levels by component (e.g. collection, fuel, administration/customer service, and CONTAINER rent).
- Disposal/processing costs separately for SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS (separately for green waste and food waste).
- Operating margin (profit) that will apply to all material types, BLACK BIN/BLUE BIN/GREEN BIN, sizes, and frequencies. (Note, operating margin is not applied to processing or disposal.)
- Bin service additional charges (per use) for extra pick-ups, temporary CONTAINERs, and hourly rates separately for SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS.
- ROLL OFF additional charges (per use) for extra pick-ups, temporary CONTAINERs, hourly rates, delivery, connect/disconnect, and demurrage (daily, monthly) separately for SOLID WASTE, COMMINGLED RECYCLABLES, and ORGANICS.
- Unit costs for horse manure collection by component (e.g. processing/disposal, collection, fuel, administration/customer service, and CONTAINER rent), and relevant additional charges.

The electronic cost proposal forms also require PROPOSERs to submit material density estimates, and vehicle spare ratios that will be used to further assess PROPOSER's

understanding of the operational requirements for service delivery and the reasonableness of the costs proposed.

Existing service levels for SOLID WASTE AND RECYCLING CONTAINER service as reported to SANITATION are provided in the forms for information purposes.

The unit costs and other information provided will be used to evaluate PROPOSERs cost proposals. The PROPOSER shall only provide the information requested in the forms. The PROPOSER shall not change or in any way modify the forms or any of the factors or formulas.

3.10.17.2 FRANCHISE FEE PROPOSAL

- Submit Form 13: Cost and Franchise Fee Proposal:

The electronic Cost and Franchise Fee Proposal Forms also include an entry for a proposed FRANCHISE FEE, anticipated at not less than 10%, as a percent of GROSS RECEIPTS, that will be paid to the CITY on a quarterly basis, for each FRANCHISE ZONE (including BUNDLED FRANCHISE ZONES) for which it submits a proposal. The FRANCHISE FEE will be considered in the evaluation of each cost proposal.

3.10.18 INNOVATIVE IDEAS

Submit the following Form 15: Innovative Ideas

- Form 15: Description of proposed innovation(s), including costs (ongoing and one time), proposed partnerships required for implementation, benefit to CUSTOMERs, and/or toward advancing the CITY's goals, including ZERO WASTE.

ARTICLE 4 - SELECTION AND CONTRACT AWARD PROCESS

4.1 PROPOSAL EVALUATION

4.1.1 GENERAL

The CITY will select the PROPOSER(S) which is determined to be the most qualified, having the best experience, provide competitive prices, and possess the ability to successfully perform the required tasks. The selection will be based on the pre-established criteria listed in Section 4.2. The CITY may deviate from the established evaluation criteria at its sole discretion.

In order to be evaluated, proposals shall comply with the following:

- PROPOSERs shall have attended the Mandatory Pre-Proposal Conference;
- Proposals shall be received by the submission date and time; and
- Proposals shall be submitted in conformance with the requirements of this RFP.

The CITY has not determined how many PROPOSERs it will negotiate with to serve the eleven (11) FRANCHISE ZONES that make up the FRANCHISE SYSTEM. As stated in Article 1, no PROPOSER will be awarded AGREEMENTs to serve more than forty nine (49) percent of all the COMMERCIAL and MULTIFAMILY accounts that comprise the FRANCHISE SYSTEM. While a PROPOSER may choose to submit a proposal on any number (or all) of the FRANCHISE ZONES that make up the FRANCHISE SYSTEM, the CITY reserves the right to select the number of zones it chooses to negotiate over, based on the evaluation of the proposal for each zone. If a PROPOSER is awarded one of the three (3) smaller zones (DT, EDT, or SE) it will not be awarded any of the other ten (10) FRANCHISE ZONE

The CITY reserves the right to suspend negotiation with a PROPOSER, should the CITY conclude that an AGREEMENT cannot be reached with the PROPOSER for one or more of the FRANCHISE ZONES under negotiation with the PROPOSER. The CITY further reserves the right to enter into simultaneous negotiations with two (2) or more PROPOSERs for any FRANCHISE ZONE where reasonably competitive proposals have been received by the CITY, as determined by the evaluation process described below.

4.1.2 NON-RESPONSIVE PROPOSALS

Factors such as, but not limited to, any of the following may be considered just cause for a proposal to be considered non-responsive without further consideration:

- Evidence of collusion, directly or indirectly, among PROPOSERs in regard to the amount, terms, or conditions of this proposal;
- Failure to direct all questions/inquiries through the CITY contact as set forth in Section 3.6 of this RFP;
- Any attempt to improperly influence any member of the evaluation team;
- Existence of any lawsuit, unresolved contractual claim or dispute between the CITY and the PROPOSER and/or the PROPOSER's related entities;

- Submittal of “non-negotiable” exceptions to the requirements of FRANCHISE SYSTEM terms and conditions;
- Any inappropriate conduct or contact with a member of the CITY regarding the FRANCHISE SYSTEM;
- Evidence of willfully submitting incorrect information as part of the proposal; and
- Evidence of PROPOSER’s inability to successfully complete the responsibilities and obligations of the proposal.
- Failure to attend Pre-Proposal meeting.

4.1.3 NON-CONFORMING PROPOSAL

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for proposal to be deemed non-responsive, at the sole discretion of the CITY.

4.1.4 REQUIRED DOCUMENTS

Proposals will be reviewed to determine if all required documentation is included. Proposals without required documents will be deemed unresponsive and will be disqualified from further consideration.

4.2 PROPOSAL CRITERIA

The following proposal criteria will be used to determine the most responsive PROPOSER. Each proposal will be reviewed, evaluated and assigned a score under each criteria corresponding to the designated range of points. A total score will be calculated by adding each criteria score. The PROPOSER with the highest score will be determined to be the most responsive. Therefore, it is important to note that the criteria listed in the table be satisfied and met in the submitted proposals.

TABLE 4-1
EVALUATION CRITERIA AND ASSOCIATED WEIGHTING

| CATEGORY | PERCENT DISTRIBUTION OF PONTS BASED ON IMPORTANCE TO THE CITY |
|---|---|
| Qualifications | 10% |
| Customer Service, Outreach and Education/Training | 25% |
| Service Plan | 20% |
| Diversion Plan and Innovative Ideas | 25% |
| Cost and Franchise Fee Proposals | 20% |
| Total | 100% |

4.3 EVALUATION

Proposals will be reviewed by an evaluation panel consisting of SANITATION staff, and may include representatives from outside SANITATION. The evaluation panel may request additional information and/or clarification from the PROPOSERS, schedule oral presentations by the PROPOSERS, and assess any or all proposals. The final proposal rating will be based on the submitted proposal and any additional information or clarification provided in response to the evaluation panel's requests. CONTRACT(s) will be submitted to the BOARD, Mayor, and CITY COUNCIL for approval

4.4 CONFLICT OF INTEREST

Each Proposer is required to disclose in its proposal any current or contemplated relationship in relation to this proposal or subsequent contract with: 1) a current City employee, official, or consultant; 2) a former City employee, official, or consultant; or 3) an immediate family member of the employee, official, or consultant. A current or contemplated relationship for purposes of the disclosure requirement includes, but is not limited to, a Proposer's officer, employee, shareholder, contractors, subcontractors, or consultant. Failure to make the requisite disclosure may result in the disqualification of the proposal or cancellation of contract or contract award.

Each Proposer is cautioned to carefully consider the following state and City conflict of interest laws and restrictions before engaging any current or former City officials, employees or consultants in connection with a proposal submitted in response to this RFP. Failure to adhere to these restrictions could render any resulting contract void, disqualify a bidder, and/or result in personal consequences for the City official or consultant. The City may reject any proposal if the proposer or its agent does not adhere to the following:

Government Code Section 1090 prohibits a current or former public official from receiving a direct or indirect financial benefit in relation to a contract involving the official's agency if the official participated in any way in making the contract while in government service. This prohibition applies even if the official's participation in "making" the contract merely involved (1) preliminary discussions regarding the creation of a program that would include subsequent discretionary contracts, (2) the decision to contract, (3) terms of a possible RFP or contract, or (4) the parties to a contract. This restriction may also apply to City consultants.

Los Angeles Municipal Code Section 49.5.13 prohibits former City officials including designated employees from attempting to influence, for compensation, City action on any matter pending before either an agency with which the former official previously served or any City agency, depending on the status of the former official, for a period of one year. Moreover, former City officials and employees are subject to a lifetime ban on attempting to influence or advising others, for compensation, regarding City action on any specific matter in which the former official personally and substantially participated while in City service if the matter is still pending with a City agency or a City agency is still a party to the matter.

ARTICLE 5 - PROPOSER TECHNICAL AND FINANCIAL QUALIFICATIONS

The CITY desires to receive proposals from qualified and capable PROPOSERS who can demonstrate a high degree of technical, operational and financial abilities to develop and provide SOLID RESOURCES collection and handling services. The CITY is seeking proposals from PROPOSERS with the following qualifications:

- Experience as a service provider to residential and commercial customers for collection of SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS;
- Experience serving a diverse customer base, reflective of those that will be served under the FRANCHISE SYSTEM, for the collection of SOLID WASTE, COMMINGLED RECYCLABLES and ORGANICS;
- Support for the CITY's Zero Waste Goal through implementation of diversion programs
- Demonstrated success in providing a high level of customer service, include responsiveness to CUSTOMER complaints, service requests and other inquiries;
- A demonstrated commitment to worker safety; and
- Sufficient financial capability to implement and execute an AGREEMENT over the full term of the AGREEMENT.

5.1 EXPERIENCE

The PROPOSER and, where applicable, a parent company, or a partner or partners in the joint venture submitting a proposal shall possess no fewer than ten (10) consecutive years of actual SOLID WASTE collection experience. In the case of joint venture or partnership proposals, at least one general partner of the team shall meet these requirements. In addition, the PROPOSER, including all partners to a joint venture or partnership proposal, may not be in default pertaining to any material contract obligations during the previous five (5) years.

5.2 FINANCIAL QUALIFICATIONS

5.2.1 DEMONSTRATION OF FINANCIAL QUALIFICATIONS

The PROPOSER is required to demonstrate that it is financially qualified to perform the services requested in this RFP. To be considered financially qualified, the PROPOSER or its parent company shall:

- Be capable of furnishing a letter of credit or acceptable substitute as specified and required in Section 3.10.3 of this RFP.
- Provide the most recent audited financial statements of the entity that will enter into the AGREEMENT with the CITY as required in Section 3.10.11. Such statements shall be certified by an officer or other responsible representative of the entity and accompanied by the expert opinion of an independent certified public accountant. In the event that a PROPOSER does not have audited financial statements, three (3) most recent years of business tax returns, with supporting schedules, may be provided on an exception basis. However, tax returns are an alternative to providing audited financial statements; if the PROPOSER has audited financial statements, those shall

be provided. In the case of a joint venture or general partnership of more than one company, financial information shall be supplied for all joint venture parties or general partners.

- List any current and potential financial liabilities, including potential liabilities for issues involving regulatory violations, and pending and current legal actions, etc.

5.2.2 PROJECT FINANCING

The CITY will not finance any proposal and will not assume any risks related to financing of an existing project or the development of a new project. The PROPOSER shall provide all financing for any project associated with the execution of an Agreement (existing or in development), including but not limited to land acquisition (if necessary), environmental documentation, permitting, design, construction, and operating costs. The PROPOSER shall propose a financing strategy to support the service the PROPOSER intends to provide.

ARTICLE 6 - BUSINESS ARRANGEMENTS

The CITY may execute AGREEMENTs with the selected PROPOSERs that will provide the services specified in this RFP. The AGREEMENTs will incorporate all of elements of PROPOSERs' business and technical proposals agreed upon. Set forth in this Article are the major terms of the business arrangement that the CITY seeks with the selected PROPOSERs, as further defined by the proposal items contained the PROPOSERs' proposals.

6.1 TERM OF PROPOSED AGREEMENT

The proposed AGREEMENTs will be for a contractual term of ten (10) years with two (2) additional five (5) year renewal options to be exercised at the CITY's sole discretion. These AGREEMENTs are subject to final approval by the BOARD, Mayor, and CITY COUNCIL.

6.2 PERFORMANCE GUARANTEES

The selected PROPOSERs warrant that the work hereunder shall be completed in a manner consistent with professional standards practiced among those firms within selected PROPOSERs' profession, doing the same or similar work under the same or similar circumstances. The selected PROPOSERs shall perform such professional services as may be necessary to accomplish the work required to be performed under these AGREEMENTs in accordance with these AGREEMENTs. The selected PROPOSERs shall be responsible for the professional quality, technical accuracy, timely completion, and the coordination of all services furnished by the selected PROPOSERs under these AGREEMENTs. The selected PROPOSERs shall, at no additional cost to the CITY, correct or revise any errors, omissions, or other deficiencies in its design, drawings, specifications, report, calculations and other services.

6.3 PERFORMANCE BOND

As a security for performance under the terms of this RFP and subsequent AGREEMENTs, selected PROPOSERs will be required to furnish, upon execution of a CONTRACT with the CITY, a performance bond, or equivalent security, in a form acceptable to the CITY. The term of the performance bond or approved equivalent shall be renewed annually for the life of the CONTRACT.

Prior to the award of any CONTRACT, selected PROPOSER(s) does not have to post the performance bond; however, selected PROPOSER(s) shall show the capability to do so with a letter from a bonding company.

6.4 LIABILITY OF SELECTED PROPOSER

Except as otherwise provided in the proposed AGREEMENT, each selected PROPOSER shall be and remain liable, in accordance with applicable law, for all damages to the CITY caused by the selected PROPOSER's negligent performance of any of the services furnished under the AGREEMENT, except for errors, omissions or other deficiencies to the extent attributable to the CITY, CITY-furnished data or any third party.

6.4.1 FIFTH YEAR REVIEW OF CONTRACTOR PERFORMANCE

The CITY will conduct a review of each CONTRACTOR's performance during the fifth (5th) year of the first ten (10) years of the CITY's AGREEMENT with CONTRACTOR. The review will assess the adequacy of the CONTRACTOR's performance over the first five (5) years of the AGREEMENT in relation to the service related performance requirements, DIVERSION targets, ORGANICS participation and performance, safety record, and other measurable elements included in the CONTRACTOR's AGREEMENT. Substandard performance will, at a minimum, require immediate corrective actions on the part of the CONTRACTOR, and may result in the termination of the CONTRACTOR's AGREEMENT if the review concludes that the CONTRACTOR cannot guarantee that it will correct deficiencies.

While the CITY's Contractor Performance Evaluation Ordinance allows for the review of contracts at any time, this program will be evaluated, at a minimum during the fifth year.

6.5 KEY PERSONNEL

Each PROPOSER shall designate, as part of its submittal, a CONTRACT PROJECT MANAGER to be assigned to administer its AGREEMENT and serve as the PROPOSER's point of contact with the CITY. Additional personnel shall be assigned, subject to the CITY's approval, on an as-needed basis. The personnel assigned to these positions at the commencement of services under the proposed AGREEMENTs shall serve in these positions as long as required. The PROPOSER shall not change personnel assigned to these positions without the prior consent and approval of CITY, provided such consent shall not be unreasonably withheld.

6.6 CONTRACTOR PERSONNEL

Unless otherwise provided or approved by the CITY, each selected PROPOSER shall use its own employees to perform the services described in the proposed AGREEMENT. The CITY shall have the right to review and approve any personnel who are assigned to work under the AGREEMENT. Each selected PROPOSER agrees to remove personnel from performing work under the AGREEMENT if requested to do so by the CITY within thirty (30) business days of a request by the CITY.

Selected PROPOSERs shall not use SUBCONTRACTORS to assist in performance of the AGREEMENT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, selected PROPOSERs shall remain responsible for performing all aspects of the AGREEMENT. The CITY has the right to approve selected PROPOSERs' SUBCONTRACTORS, and the CITY reserves the right to request replacement of SUBCONTRACTORS. The CITY does not have any obligation to pay selected PROPOSERs' SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and the SUBCONTRACTORS.

6.7 SUBCONTRACTORS

All subcontracts in excess of \$10,000 shall require submission to SANITATION for approval. A copy of all subcontracts shall be submitted to SANITATIONs Central Contracting Unit and the CONTRACT PROJECT MANAGER showing the SUBCONTRACTOR's name and dollar

amount of each subcontract. Wholly owned subsidiaries of the selected PROPOSERs shall not be considered SUBCONTRACTORs. No selected PROPOSER shall change any of its designated SUBCONTRACTORs, or reduce their level of effort, without prior written approval of the BOARD, provided that such approval is not unreasonably withheld.

6.8 MAINTENANCE OF RECORDS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of the CONTRACT, in their original form, in accordance with requirements prescribed by the CITY. These records shall be retained for a period of no less than four (4) years following final payment made by the CITY hereunder or the expiration date of this CONTRACT, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY's representative at any time during the term of the CONTRACT and within the four (4) years following final payment made by the CITY hereunder or the expiration date of the CONTRACT, whichever occurs last. Each CONTRACTOR shall provide any reports requested by the CITY regarding performance of CONTRACT within thirty (30) business days of the request by the CITY. Any subcontract entered into by CONTRACTOR, as authorized under the terms of this AGREEMENT, shall include a like provision for work to be performed under the CONTRACT.

6.9 CHANGES OR MODIFICATIONS

Changes or modifications in the terms the subsequent AGREEMENT may be made at any time by mutual written agreement between the parties hereto. The CITY PROJECT MANAGER's authority to amend the AGREEMENT will be limited to modifications which do not change the total compensation for services by more than \$10,000, provided that the changes are reflected in an Amendment approved by the Mayor, Board of Public Works, and CITY COUNCIL, as appropriate.

6.10 TERMINATION

- 6.10.1 The AGREEMENT may be terminated in whole or in part in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this AGREEMENT through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten (10) CALENDAR DAYs' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.
- 6.10.2 The AGREEMENT may be terminated in whole or in part in writing by the CITY for its convenience, provided that the CONTRACTOR is given (1) not less than thirty (30) CALENDAR DAYs' written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination. Upon receipt of said written notice, the CONTRACTOR shall immediately take action not to incur any additional obligations, cost or expense, except as may be reasonably necessary to terminate its activities.

- 6.10.3 The AGREEMENT may be immediately terminated in writing by the CITY if (1) a federal or state proceeding for relief of debtors is undertaken by or against CONTRACTOR, or if CONTRACTOR makes an assignment for the benefit of creditors or (2) CONTRACTOR engages in any dishonest conduct related to the performance or administration of this AGREEMENT or violates the CITY'S lobbying policies.
- 6.10.4 If termination for default is effected by the CITY, an equitable adjustment in the price provided for in this AGREEMENT shall be made, but no amount shall be allowed for anticipated profit on unperformed services or other work and (2) any payment due the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default.

If termination for default is effected by the CONTRACTOR or if termination for convenience is effected by the CITY, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for any termination shall provide for payment to the CONTRACTOR for services rendered and expenses incurred prior to the termination, excluding attorney's fees, in addition to termination settlement costs reasonably incurred by the CONTRACTOR relating to written commitments that were executed prior to the termination. Thereafter, CONTRACTOR shall have no further claims against the CITY under this AGREEMENT.

- 6.10.5 Upon receipt of a termination action under Sections 6.10.1, 6.10.2, 6.10.3 above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY within thirty (30) business days of said termination action all finished or unfinished documents and materials produced or procured under this AGREEMENT, including all intellectual property rights thereto, which shall become CITY property upon date of such termination. CONTRACTOR agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY's ownership of rights provided herein within thirty (30) business days of said termination.
- 6.10.6 Upon termination under Sections 6.10.1, 6.10.2, 6.10.3 above, the CITY may take over the work and may award another party an AGREEMENT to complete the work under this AGREEMENT.
- 6.10.7 If, after the termination for failure of the CONTRACTOR to fulfill contractual obligations, it is determined that the CONTRACTOR had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the CITY. In such event, a payment to the CONTRACTOR shall be made as provided in Section 6.10.4 of this Article.
- 6.10.8 The rights and remedies of the CITY provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this AGREEMENT.

6.11 INDEMNIFICATION

Except for the active negligence or willful misconduct of the CITY, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, the CONTRACTOR

undertakes and agrees to defend, indemnify and hold harmless the CITY and any of its Boards, Officers, Agents Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damage or liability of any nature whatsoever, for death or injury to any person, including the CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of the CONTRACT by the CONTRACTOR or its SUBCONTRACTORS of any tier. Rights and remedies available to the CITY under this provision are cumulative of those provided for elsewhere in this AGREEMENT and those allowed under the laws of the United States, the State of California, and the City. The provisions of this paragraph survive expiration or termination of the CONTRACT.

6.12 CLAIMS FOR LABOR AND MATERIALS

The CONTRACTOR shall promptly pay when due all amounts payable for labor and materials furnished in the performance of the AGREEMENT, so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder), against the CONTRACTOR'S rights to payments hereunder, or against the CITY, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

6.13 INDEPENDENT CONTRACTOR

The PROPOSER is acting as an independent contractor and not as an agent or employee of the CITY. The PROPOSER shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the CITY. The CITY shall not represent or otherwise hold itself out or any of its directors, officers, partners, employees or agents to be an agent or employee of the PROPOSER.

6.14 OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all Work Products originated and prepared by CONTRACTOR or its SUBCONTRACTORS of any tier under the CONTRACT shall be and remain the exclusive property of the CITY for its use in any manner it deems appropriate. Work Products are all works, tangible or not, created under the CONTRACT including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, web sites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. CONTRACTOR hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by CONTRACTOR under the CONTRACT.

CONTRACTOR further agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.

For all Work Products delivered to the CITY that are not originated or prepared by CONTRACTOR or its SUBCONTRACTORs of any tier under this CONTRACT, CONTRACTOR hereby grants a non-exclusive perpetual license to use such Work Products for any CITY purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the CITY.

Any subcontract entered into by CONTRACTOR relating to this CONTRACT, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT to contractually bind or otherwise oblige its SUBCONTRACTORs performing work under this CONTRACT such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of CONTRACTOR to comply with this requirement or to obtain the compliance of its SUBCONTRACTORs with such obligations shall subject CONTRACTOR to the imposition of any and all sanctions allowed by law, including but not limited to termination of CONTRACTOR'S CONTRACT with the CITY.

6.15 SUCCESSORS AND ASSIGNS

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to the AGREEMENT which consent shall not be unreasonably withheld.

6.16 FORCE MAJEURE

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

6.17 SEVERABILITY

Should any portion of the proposed AGREEMENT be determined to be void or unenforceable, such shall be severed from the whole and the proposed AGREEMENT will continue as modified.

6.18 DISPUTES

Should a dispute or controversy arise concerning provisions of the proposed AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction. The party against whom a decision is rendered shall be required to pay, in addition

to any judgment, all legal costs and attorney's fees incurred by both parties pursuant to the resolution to the matter.

6.19 APPLICABLE LAW, INTERPRETATION, AND ENFORCEMENT

Each party's performance under the AGREEMENT shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles, including but not limited to, laws regarding health and safety, labor and employment, wages and hours and licensing laws which affect employees. The AGREEMENT and its performance shall be enforced and interpreted under the laws of the State of California. All causes of action arising directly or indirectly from the business relationship evidenced by the proposed AGREEMENT shall be filed in the appropriate state or federal court located in Los Angeles County, California, and each party agrees to be subject to the jurisdiction of the State of California regardless of their residence. The CONTRACTOR shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this AGREEMENT.

If any part, term or provision of this AGREEMENT is held void, illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this AGREEMENT, the validity of the remaining parts, terms or provisions of the AGREEMENT shall not be affected thereby.

6.20 BREACH

Except for force majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

6.21 RIGHTS RESERVED BY THE CITY

The CITY reserves the right, at its discretion, to pursue any or all of the following actions in regard to this RFP:

1. Select and enter into an AGREEMENT with PROPOSERS who, in the CITY's sole judgment, are responsive to this RFP and whose proposals will satisfy the interests of the CITY, and not necessarily on the basis of price alone or any other single factor.
2. Award AGREEMENTs to more than one PROPOSER.
3. Request additional information and/or clarification from any or all PROPOSERS.
4. Reject any or all proposals, permit the timely correction of errors, or waive minor deviations.
5. Supplement, amend, or otherwise modify this RFP, and to withdraw this RFP, with or without the substitution of another RFP.
6. Extend the time for submittal of this RFP.
7. Short-list any or all proposals and schedule oral presentations by any or all PROPOSERS.
8. Modify the length of the CONTRACT term and associated renewal options.
9. Conduct all investigations and background checks as deemed necessary.

10. Negotiate best and final offers with PROPOSERs.
11. Take whatever other action it deems in its best interest.

The CITY may still consider proposals that contain provisions that deviate slightly from the requirements in this RFP, in the event the deviation(s) are not considered material. However, in the event that a PROPOSER is awarded an AGREEMENT, the PROPOSER shall be in full compliance with the objectives described herein. This RFP does not obligate the CITY or any of its member agencies to accept any proposal, negotiate with any PROPOSER, award a CONTRACT, or proceed with the implementation of any proposal made in response to this RFP.

6.21.1 RIGHT TO AUDIT

The CITY reserves the right to audit a CONTRACTOR'S records, data, business processes, licenses and certifications or any other information relevant to the ensuring that the CONTRACTOR is in compliance with its AGREEMENT and/or local, state and federal law. The CITY agrees to give a CONTRACTOR no less than ten (10) business days' notice before beginning such an audit.

6.21.2 RIGHT OF INSPECTION

The CITY reserves the right to observe and inspect all records, facilities, equipment, and operations required for the execution of the AGREEMENT including but not limited to collection operations; disposal, transfer and processing operations; customer service operations; and financial and record keeping functions.

CITY inspections staff shall have the right at any time to observe and inspect the operations of any, or all, facilities used to perform work under AGREEMENT to ensure the CONTRACTOR is in compliance with all applicable regulations and obligations. This right of inspection shall extend to all handling, transfer, disposal, recycling, or material processing facilities contracted or subcontracted, at any tier, pursuant to this RFP.

6.22 ACCEPTANCE OF TERMS AND CONDITIONS

Submission of a proposal shall constitute acknowledgement of acceptance of all terms and conditions hereinafter set forth in this RFP unless otherwise expressly stated here in. All proposals shall be submitted in writing and shall include all required documents including forms, attachments, and other specifications.

6.23 COMPENSATION AND PAYMENT

Each CONTRACTOR is responsible for monthly billing and collection of payments from CUSTOMERS in its FRANCHISE ZONE(s). Each CONTRACTOR shall remit the CITY, thirty (30) days after the end of the previous quarter, all fees, including the FRANCHISE FEE, AB 939 FEE, and fee for recycling services not provided to the CITY (as detailed in the CONTRACTOR's AGREEMENT).

6.23.1 FEES FOR RECYCLING SERVICES NOT PROVIDED

Initially, it is possible that not all customers will accept a BLUE BIN for recycling services. For each customer that does not accept a BLUE BIN from the CONTRACTOR, the CONTRACTOR will still invoice the full SOLID WASTE rate that includes SOLID WASTE and COMMINGLED RECYCLABLES services. Because the recycling services are not being rendered by the CONTRACTOR, the CONTRACTOR will remit to the CITY the portion of the collection fee for recycling service not provided as detailed in the AGREEMENT. An example of how these fees will be calculated is provided in Appendix 1.6 Rate and Compensation Examples.

6.23.2 METHODOLOGY FOR CALCULATING CONTRACTOR COMPENSATION

CONTRACTORS are responsible for billing CUSTOMERS according to the rate and fee schedule included in their AGREEMENT. These rates and fees include a FRANCHISE FEE, applied as a percent of GROSS RECEIPTS, and a 10 percent AB 939 FEE applied as a percent of GROSS RECEIPTS for SOLID WASTE services.

6.23.3 CONTRACTOR'S MONTHLY COMPENSATION IS THE TOTAL DOLLAR VALUE OF THE PAYMENTS IT HAS RECEIVED FROM CUSTOMERS IN THE PREVIOUS QUARTER LESS THE FEES DUE THE CITY

At the commencement of service under the AGREEMENTs, rates will include the FRANCHISE FEE and AB 939 FEE. The CITY may choose to increase or decrease rates for fees in the future, subject to applicable law, and may adjust CUSTOMER rates accordingly.

6.23.4 ANNUAL COMPENSATION ADJUSTMENT

Each year, information from the PROPOSERs cost and franchise fee proposal about its component costs and readily available price indexes will be used as the basis for adjusting CONTRACTOR compensation (plus additional financial information that may be requested by SANITATION). Each rate and the rates for SPECIAL SERVICES shall be adjusted in accordance with the following percentages, the total annual compensation adjustment shall not exceed 5%:

| |
|---|
| TABLE 6-2 ANNUAL COMPENSATION ADJUSTMENT |
|---|

| Index | Escalator Name | Cost Component |
|------------------|----------------|---|
| CPI-W | CPI % | Labor, maintenance, insurance, operations, other operating expense, G&A |
| 80% CPI-2 | Disp/Proc % | Disposal and processing |
| PPI-No. 2 Diesel | Fuel % | Fuel |
| No Escalation | Int/Dep % | Interest and depreciation |

ARTICLE – CITY STANDARD PROVISIONS (LEGAL REQUIREMENTS)

All PROPOSERS are required to adhere to the CITY's policies on Personal Services Contracts. Each proposal shall include the relevant completed forms, also included in Attachments.

7.1 INSURANCE REQUIREMENTS

The selected PROPOSERS will be required to maintain for the duration of the CONTRACT and provide certification of insurance coverage(s) in the following types and amounts as specified by the CITY's Risk Manager and the BOARD:

| | | |
|-----|--------------------------------|-------------|
| (a) | General Liability | \$2,000,000 |
| (b) | Workers' Compensation | |
| | Employer's Liability Insurance | \$1,000,000 |
| (c) | Automobile Liability | \$5,000,000 |
| (d) | Crime Insurance | \$1,000,000 |

All PROPOSERS, as part of their Proposal, are required to provide a notarized declaration from their insurance carrier(s) that their firm is able to obtain insurance coverage in the limits stated above. Information on how to submit proof of insurance to the CITY, along with conditions for acceptance of self-insurance is included in Attachment C. The CITY's Risk Management, CAO Office, will determine actual insurance coverage at the time a specific Proposal is accepted.

7.2 BUSINESS TAX REGISTRATION CERTIFICATE REQUIREMENT

If applicable, selected PROPOSER represents that it has obtained and presently holds the Business Tax Registration Certification required by the CITY's Business Tax Ordinance Article 21.00 et seq, of the CITY Municipal Code. For the term covered by this AGREEMENT, CONTRACTORS shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended (See Attachment B).

7.3 NON-COLLUSION

Each proposal shall contain the following statement signed by a legally authorized officer of the PROPOSER. "This proposal is genuine and not sham or collusive or intended to be withdrawn once submitted for evaluation in the RFP selection process or during consideration for CONTRACT award, nor made in the interest or in behalf of any person herein named; the PROPOSER has not directly or indirectly induced or solicited any other PROPOSER to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the PROPOSER has not in any manner sought by collusion to secure himself an advantage over any other PROPOSER" (see Attachment G).

7.4 LOS ANGELES RESIDENCE INFORMATION

It is the policy of the CITY to require all PROPOSERS or individuals seeking CONTRACTs with the CITY to report the headquarters address of the company and declare the percentage of the work force residing in the CITY. Proposals shall include the following information:

- Organization headquarters address
- Addresses of all branch offices located within the CITY
- Number of employees in the total workforce
- Percentage of total workforce residing in the CITY
- Percentage of total workforce employed in the CITY
- Number of employees in each Los Angeles branch office
- Percentage of work force in each Los Angeles branch office residing in the CITY

See Attachment F for sample form.

7.5 CONTRACT HISTORY

The CITY COUNCIL passed a resolution on July 21, 1998 requiring that all proposed vendors supply in their proposal or bid, a list of all CITY contracts held by the bidder or any affiliated entity during the preceding 10 years. PROPOSERs shall complete and return the Contract History form included in Attachment J.

7.6 NONDISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION

PROPOSERs are advised that any CONTRACT awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2., Non-discrimination Clause.

Non-construction services for the CITY for which the consideration is \$1,000 or more shall comply with the provisions of Los Angeles Administrative Code Articles 10.8.3., Equal Employment Practices Provisions. All PROPOSERs shall complete and upload the Non-Discrimination/Equal Employment Practices Certification (two (2) pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org, no later than the time when an individual Bid/Proposal is submitted. However, PROPOSERs with Certifications previously uploaded to BAVN within the last year do not need to re-submit the document.

Non-construction contracts for which the consideration is \$100,000 or more shall comply with the provisions of Los Angeles Administrative Code Articles 10.8.4., Affirmative Action Program Provisions. All PROPOSERs shall complete and upload, the City of Los Angeles Affirmative Action Plan (two (2) pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) www.labavn.org no later than the time when an individual Bid/Proposal is submitted. PROPOSERs opting to submit their own Affirmative Action Plan may do so by

uploading their Affirmative Action Plan onto the CITY's BAVN. PROPOSERS with Affirmative Action Plan previously uploaded to BAVN within the last year do not to re-submit the document.

Furthermore, subject SUBCONTRACTORS shall be required to submit the Non-Discrimination/Equal Employment Practices Certification and Affirmative Action Plan to the successful PROPOSER prior to commencing work on the CONTRACT. The SUBCONTRACTORS' Non-Discrimination/Equal Employment Practices Certification(s) and Affirmative Action Plan(s) shall be retained by the successful PROPOSER and shall be made available to the Office of Contract Compliance upon request.

Both the Non-Discrimination/Equal Employment Practices Certification and the City of Los Angeles Affirmative Action Plan Affidavit shall be valid for a period of twelve (12) months from the date it is first uploaded onto BAVN.

PROPOSERS seeking additional information regarding the requirements of the CITY's Non-Discrimination Clause, Equal Employment Practices and Affirmative Action Program may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

7.7 BUSINESS INCLUSION PROGRAM

It is the policy of the CITY to provide Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Small Business Enterprises (SBE), Emerging Business Enterprises (EBE), Disabled Veterans Business Enterprises (DVBE) and Other Business Enterprises (OBE) an equal opportunity to participate as SUBCONTRACTORS in the performance of CITY contracts.

PROPOSERS shall assist the CITY in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBE(S), WBE(S), SBE(S), EBE(S), DVBE(S) and OBE(S) have an equal opportunity to compete for and participate in CITY contracts. The BOARD has set anticipated participation levels of eight percent (8%) for MBE, five percent (5%) for WBE, five percent (5%) for SBE, one percent (1%) for EBE, one percent (1%) for DVBE for this project.

The Business Inclusion Program (BIP) required in this RFP is in accordance with Mayor's Executive Directive 14. Business Inclusion Program documentation, in which must be completed at labavn.org will be evaluated separately from the proposal. PROPOSERS shall submit sufficient documentation and meet prescribed deadlines to be deemed responsive. Failure to submit adequate Business Inclusion Program documentation will result in the proposal being deemed non-responsive. PROPOSERS to this RFP will have until 4:30 P.M. of the following CITY working day to complete the BAVN-generated Summary Sheet with responses from all Subcontractors.

The CITY recognizes that the potential subcontracting opportunities and the associated level of participation will vary depending on the franchise zone(s) awarded. Due to the nature of these services, the CITY is requiring that PROPOSERS submit a Schedule A, List of Potential MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors, at the same time when submitting their proposals. The list must also be inclusive of all subcontractors for ALL zones for which the PROPOSER will be submitting a proposal. The list must include the names of any potential MBE/WBE/SBE/EBE/DVBE/OBE subcontractors, vendors, or any business that renders services or provides goods or rentals with whom the respondent believes it may do business with

as a result of receiving a contract resulting from this RFP. Following contract negotiation and prior to contract award, PROPOSERs will be required to submit to the CITY a Schedule B MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Information Form for each contract for which they are awarded that includes the final list of subcontractors (from Schedule A) for that specific contract and their pledged subcontractor participation dollar values.

The outreach shall attempt to provide a portion of the CONTRACT to MBE/WBE/SBE/EBE/DVBE/OBE SUBCONTRACTORs. Failure to include supporting documentation of a Business Inclusion Program, as outlined in Appendix 7, Attachment D, or failure to achieve a passing result, will render the Proposal non-responsive and result in its rejection. The following NAICS Codes have been identified as work areas for which subcontracting outreach shall be performed:

| LABAVN NAICS - Commercial Franchise Program | | |
|---|--------|---------------------------------------|
| | | |
| 48 Transportation and Warehousing | | |
| 48 | 484110 | General Freight Trucking, Local |
| 51 Information | | |
| 51 | 518210 | Data Processing, Hosting & Services |
| 51 | 519130 | Internet Publishing & Broadcasting |
| 54 Professional Scientific and Technical Services | | |
| 54 | 541512 | Computer Systems Design Services |
| 54 | 541613 | Marketing Consult Services |
| 54 | 541810 | Advertising Agencies |
| 54 | 541820 | Public Relations Agencies |
| 54 | 541850 | Display advertising |
| 54 | 541860 | Direct Mail Advertising |
| 54 | 541870 | Advertising Material Distribution |
| 54 | 541890 | Other services related to advertising |
| 54 | 541910 | Marketing Research & Public Polling |
| 54 | 541930 | Translation and Interpretation Serv |
| 56 Administrative Support, Waste Management and Remediation Services | | |
| 56 | 562111 | Solid Waste Collection |
| 56 | 562212 | Solid Waste Landfill |
| 81 Other Services | | |
| 81 | 811212 | Computer & Office Machine Repair |
| 81 | 811213 | Communication Equip Repair & Maint |
| 81 | 811219 | Other Electronic and Precision Equip |
| 81 | 811310 | Commercial & Industrial Machinery |

7.8 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE/LIVING WAGE ORDINANCE

Each franchisee shall comply with all requirements of an "Employer" under the City's Living Wage Ordinance (LWO), Los Angeles Administrative Code Section 10.37, et. seq. PROPOSERs who believe that they meet the qualifications for an exemption as a non-profit or one-person contractor shall apply for such exemption from the LWO by submitting with their proposal the Non-Profit/One-Person Contractor Certification of Exemption (OCC/LW-13). This exemption form is available on the Bureau of Contract Administration web site at <http://bca.lacity.org/index.cfm>.

Each franchisee shall also be deemed a "contractor" for purposes of the City's Service Contractor Worker Retention Ordinance, Los Angeles Administrative Code Section 10.36, et seq, and shall comply with all the requirements of a "contractor" thereunder.

7.9 EQUAL BENEFITS ORDINANCE

PROPOSERs are advised that any AGREEMENT awarded pursuant to this procurement process shall be subject to the applicable provisions of Los Angeles Administrative Code Section 10.8.2.1, Equal Benefits Ordinance (EBO).

All PROPOSERs shall complete and upload, the Equal Benefits Ordinance Affidavit (two (2) pages) available on the City of Los Angeles' Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a CITY CONTRACT value of which exceeds \$5,000. The Equal Benefits Ordinance Affidavit shall be valid for a period of twelve months from the date it is first uploaded onto the CITY's BAVN. PROPOSERs do not need to submit supporting documentation with their proposals. However, the CITY may request supporting documentation to verify that the benefits are provided equally as specified on the Equal Benefits Ordinance Affidavit.

PROPOSERs seeking additional information regarding the requirements of the Equal Benefits Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

7.10 CONTRACTOR RESPONSIBILITY ORDINANCE

Each franchise AGREEMENT is hereby deemed a "contract" for purposes of the City's Responsible Contractor Program, Los Angeles Administrative Code Section 10.40, et seq., and each franchisee shall comply with all requirements of a "Contractor" thereunder.

All PROPOSERs shall complete and return, with their proposal, the Responsibility Questionnaire included in Attachment A. Failure to return the completed Questionnaire may result in a PROPOSER being deemed non-responsive.

7.11 SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any CONTRACT awarded pursuant to this RFB/RFP/RFQ will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

All PROPOSERS shall complete and upload, the Slavery Disclosure Ordinance Affidavit (one (1) page) available on the CITY's Business Assistance Virtual Network (BAVN) residing at www.labavn.org prior to award of a CITY CONTRACT.

PROPOSERS seeking additional information regarding the requirements of the Slavery Disclosure Ordinance may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

7.12 MUNICIPAL LOBBYING ORDINANCE

Any PROPOSERs for a CONTRACT, as those terms are defined under the Contractor Responsibility Program provided for in Los Angeles Administrative Code Section 10.40.1, shall submit with its PROPOSAL a certification form prescribed by the CITY Ethics Commission, that the PROPOSER acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if the bidder qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection. The Municipal Lobbying Ordinance and Bidder Certification CEC Form 50 can be found in Attachment H.

7.13 CHILD SUPPORT ORDINANCE

The CITY has adopted an ordinance requiring that all CONTRACTORs and SUBCONTRACTORs performing work for the CITY comply with all reporting requirements and wage and earning assignments relative to legally mandated child support.

As a result, every CONTRACT that is let, awarded, or entered into with or on behalf of the CITY shall contain the following provision:

“This Contract is subject to Section 10.10, Article 1, Chapter 1, and Division 10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to this Ordinance, Contractor certifies that it will (1) fully comply with all State and Federal employment reporting requirements for Contractor employees applicable to Child Support Assignment Orders; (2) that the principal owner (s) of Contractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (4) maintain such compliance throughout the term of this CONTRACT. Pursuant to Section 10.10b of the Los Angeles Administrative Code, failure of Contractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Contractor to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Contractor under the terms of this Contract, subjecting this Contract to

termination where such failure shall continue for more than ninety (90) days after notice of such failure to Contractor by CITY.

Any subcontract entered into by Contractor, to the extent allowed hereunder, shall include a like provision for work to be performed under this AGREEMENT. Failure of Contractor to obtain compliance of its SUBCONTRACTORS shall constitute default by Contractor under this AGREEMENT, subjecting this AGREEMENT to termination where such default shall continue for more than ninety (90) days after notice of such default to Contractor by the CITY.

Contractor shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Contractor assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

7.14 AMERICANS WITH DISABILITIES ACT

The CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act 42 U.S.C. Section 12101 et seq. and its implementing regulations. The CONTRACTOR will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The CONTRACTOR will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by CONTRACTOR, relating to the AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

7.15 CONFLICT OF INTEREST

Names of entities associated with the PROPOSER who may have a conflict of interest with any activity of this project should be included in the proposal. Provide details and reasons. PROPOSERs are subject to disqualification on the basis of conflict of interest as determined by the CITY.

7.16 FIRST SOURCE HIRING ORDINANCE

Unless approved for an exemption, Contractors under contracts primarily for the furnishing of services to or for the CITY, the value of which is in excess of \$25,000 with a term of at least three (3) months, and certain recipients of CITY Loans or Grants, shall comply with the provisions of Los Angeles Administrative Code Articles 10.44 et seq., First Source Hiring Ordinance (FSHO). PROPOSERs shall refer to Attachment K, "First Source Hiring Ordinance" for further information regarding the requirements of the Ordinance.

All PROPOSERs shall complete and upload the First Source Hiring Ordinance Affidavit (one (1) page) available on the City of Los Angeles' Business Assistance Virtual Network (LABAVN) at www.LABAVN.org prior to award of a CITY CONTRACT. The First Source Hiring Ordinance

Affidavit shall be valid for a period of twelve months from the date it is first uploaded onto the CITY's LABAVN.

PROPOSERs seeking additional information regarding the requirement of the First Source Hiring Ordinance (FSHO) may visit the Bureau of Contract Administration's web site at <http://bca.lacity.org>.

7.17 CONTRACT BIDDER CAMPAIGN CONTRIBUTION AND FUNDRAISING RESTRICTIONS

Persons who submit a response to this solicitation (PROPOSERs) are subject to Charter section 470(c)(12) and related ordinances. As a result, PROPOSERs may not make campaign contributions to and or engage in fundraising for certain elected CITY officials or candidates for elected CITY office from the time they submit the response until either the AGREEMENT is approved or, for successful PROPOSERs, 12 months after the AGREEMENT is signed. The PROPOSER's principals and SUBCONTRACTORs performing \$100,000 or more in work on the CONTRACT, as well as the principals of those SUBCONTRACTORs, are also subject to the same limitations on campaign contributions and fundraising.

PROPOSERs shall submit CEC Form 55 to the awarding authority at the same time the response is submitted. The form requires PROPOSERs to identify their principals, their SUBCONTRACTORs performing \$100,000 or more in work on the CONTRACT, and the principals of those SUBCONTRACTORs. PROPOSERs shall also notify their principals and SUBCONTRACTORs in writing of the restrictions and include the notice in contracts with SUBCONTRACTORs. Responses submitted without a completed CEC Form 55 shall be deemed nonresponsive. PROPOSERs who fail to comply with CITY law may be subject to penalties, termination of CONTRACT, and debarment. Additional information regarding these restrictions and requirements may be obtained from the CITY Ethics Commission at (213) 978-1960 or ethics.lacity.org.

The Bidder Certification CEC Form 55 can be found in Attachment L.

7.18 CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

At the end of this AGREEMENT, the CITY will conduct an evaluation of the CONTRACTOR's performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the AGREEMENT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the AGREEMENT. A Contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) CALENDAR DAYs to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

7.19 LOCAL BUSINESS PREFERENCE PROGRAM

PROPOSERs who submit a response to this solicitation will be evaluated in accordance with Article 21 to Division 10, Chapter 1 of the Los Angeles Administrative Code (Ordinance No. 181910) establishing a Local Business Preference Program for the CITY's procurement of goods, equipment and services, including construction, when the CONTRACT involves an expenditure in excess of \$150,000.

The CITY shall grant an eight percent Local Business Preference to Local Businesses for CONTRACTs involving consideration in excess of \$150,000. The CITY shall also provide a preference of up to five percent, to a Proposal submitted by a business that does not qualify as a Local Business, but that identifies a qualifying local SUBCONTRACTOR to perform work under the CONTRACT, provided the local SUBCONTRACTOR satisfies the criteria enumerated in Sections 10.47.2 and 10.47.7 of the Los Angeles Administrative Code, Chapter 1, Article 21.

The Local Business Preference Program, Ordinance No. 181910, can be found in Attachment M.

7.20 IRAN CONTRACTING ACT OF 2010

In accordance with California Public Contract Code Sections 2200-2208, all bidders submitting proposals for, entering into, or renewing contracts with the City of Los Angeles for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the Iran Contracting Act of 2010 Compliance Affidavit, Attachment N.

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EXHIBIT 3

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO 1
September 26, 2016

CD: ALL

**AUTHORITY TO AWARD CONTRACTS FOR THE ZERO WASTE LA EXCLUSIVE
FRANCHISE SYSTEM FOR COMMERCIAL AND MULTIFAMILY SOLID WASTE
COLLECTION AND HANDLING – BUREAU OF SANITATION (LASAN)**

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contract for exclusive Franchise System for commercial and multifamily solid waste collection and handling with:

Large Zones:

Arakelian Enterprises, Inc. (dba Athens Services aka Athens)
Consolidated Disposal Service, LLC (dba Republic Services or Republic)
Universal Waste Systems, Inc. (aka UWS)
USA Waste of California, Inc. (dba Waste Management aka WM)

Small Zones:

CalMet Services, Inc., (aka CalMet)
NASA Services, Inc. (aka NASA)
Ware Disposal, Inc. (aka Ware)

2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contract.
3. Return the executed contract to the Bureau of Sanitation (LASAN) for further processing. For pick up, contact Dan Meyers of Solid Resources Commercial Franchise Division (SRCFD) at 213-485-3774 or Quonita Anderson of LASAN at 213-485-4246.
4. Recommend that the City Council find it is in the City's best interest to award one of the exclusive franchise contracts for commercial and multifamily solid waste collection and handling to Republic, an Arizona based company, for the reasons outlined in the report below.
5. Request the City Attorney, in collaboration with LASAN, to draft an Ordinance creating a special fund for the Zero Waste LA revenues, excluding AB 939 fees.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO 1
September 26, 2016
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TRANSMITTALS

1. Request for Proposals (RFP) for Citywide Exclusive Franchise System for Municipal Solid Waste Collection and Handling.
2. Description and map of the Franchise Zones.
3. Copy of the Ordinance authorizing the Commercial and Multifamily Franchise Hauling System (Ordinance #182986).
4. Copy of the exclusive franchise contract with Athens.
5. Copy of the exclusive franchise contract with Republic.
6. Copy of the exclusive franchise contract with Universal Waste Systems.
7. Copy of the exclusive franchise contract with Waste Management.
8. Copy of the exclusive franchise contract with Cal Met Services.
9. Copy of the exclusive franchise contract with NASA.
10. Copy of the exclusive franchise contract with Ware Disposal.
11. Action by the Board of Public Works on July 10, 2015, finding all proposers responsive to the City's Business Inclusion Plan.
12. Copy of the e-mail transmittal from Recology, dated March 25, 2015, withdrawing from the RFP process.
13. Copy of the UPW letter dated July 26, 2016, withdrawing from the RFP process.

DISCUSSION

During the last six years, LASAN has embarked on an extensive process to bring the City's solid resources collection, hauling, recycling and disposal to a new level by implementing an exclusive franchise system for the commercial sector. The exclusive franchise system brings improvements to the environment, meets Mayor Eric Garcetti's sustainability goals, allows the City to meet additional mandates by the state of California, and brings clarity and answers to questions about what solid resources materials are collected in the City and how they are managed. Franchise holders are required to collectively reduce disposal of solid waste by 1,000,000 tons per year by 2025. The contracts presented for consideration include in excess of \$200 million in investment in recycling and materials handling infrastructure. The contracts provide predictable, reasonable customer rates and have extensive customer service and performance requirements with liquidated damages for failure to provide excellent service. In order to accomplish the transition of customers into the new system, a six month transition period is needed between contract execution and full franchise implementation, to allow for customer education, notification, planning, and equipment purchases in support of the system. LASAN looks forward to implementing the Exclusive Franchise system in mid-2017.

Solid Resources System in the City of Los Angeles and Regulatory Environment

Current Solid Resources Management System

The City has both the right and the responsibility to manage its solid resources collection and handling system. State Public Resources Code (PRC) section 40050, et seq., explicitly states that solid waste handling services are an issue of local concern. The City has the sole discretion to contract, license, and/or permit private haulers, and may award franchise agreements including, but not limited to, frequency of collection, means of collection and transportation, level of services,

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO 1
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charges and fees, and nature, location and extent of providing solid waste handling services (PRC section 40059).

LASAN, as the agency that provides recycling and solid waste management services to over 750,000 customers, as well as management of haulers under the current permitting system, is charged with implementation of the new Franchise System.

The Exclusive Commercial and Multifamily Solid Waste Franchise Hauling System Ordinance No. 182986 (Transmittal No. 3) provides some guidelines for the Franchise System, including:

- All customers are required to have recycling and solid waste services.
- The City will have eleven (11) Franchise zones, of which three (3) are designated as single zones, in which they may not be bundled together with others in the franchise awards.
- All materials collected under the Franchise System must be delivered to facilities certified by the City.
- Franchise haulers are required to meet clean fuel requirements.

Solid resource collection, hauling, recycling, and disposal in the City of Los Angeles (City) are currently managed by both LASAN and permitted private waste haulers. Single family homes, multifamily properties with four (4) units or less, and some larger buildings with five (5) or more units are serviced by LASAN. Private waste haulers collect from all multifamily and commercial establishments not collected by LASAN under a permit system. Currently, there are approximately 144 private haulers collecting from multifamily and commercial sites, but only 31 private haulers collect from regular commercial accounts. The fifteen (15) top private haulers control 99% of the businesses, serving 64,500 of a total of 65,000 unique service addresses, see Table 1 below. In contrast, the City of San Jose has only 8,000 service accounts in its exclusive commercial franchise. Other cities in Los Angeles County, such as Palmdale, Santa Clarita, and Santa Monica, have approximately 5,000, 6,000, and 7,000 business accounts respectively.

Table 1 – Hauler Market Share by Reported Accounts

| Hauler Name | Percent of Accounts in the City | Cumulative Percentage |
|----------------------|---------------------------------|-----------------------|
| Athens | 25.7% | 25.7% |
| Republic | 19.5% | 45.2% |
| Waste Management | 14.3% | 59.5% |
| NASA | 13.6% | 73.1% |
| Recology | 11.6% | 84.7% |
| UWS | 9.0% | 93.7% |
| UPW | 2.2% | 95.9% |
| AAA Rubbish | 1.1% | 97.0% |
| SoCal Disposal | 0.9% | 97.9% |
| EDCO | 0.4% | 98.3% |
| Waste Resources | 0.3% | 98.6% |
| Calmet | 0.3% | 98.8% |
| American Reclamation | 0.2% | 99.0% |

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| Hauler Name | Percent of Accounts in the City | Cumulative Percentage |
|------------------------|---------------------------------|-----------------------|
| BayWest | 0.2% | 99.2% |
| SoCal Waste | 0.1% | 99.4% |
| Southland Disposal | 0.1% | 99.5% |
| Patriot | 0.1% | 99.6% |
| CWS | 0.1% | 99.6% |
| SVT | 0.1% | 99.7% |
| Waste & Recycling Svcs | Less than 0.1% | 99.7% |
| Valley Vista | Less than 0.1% | 99.8% |
| WARE | Less than 0.1% | 99.8% |
| City Rent A Bin | Less than 0.1% | 99.8% |
| Anderson Rubbish | Less than 0.1% | 99.9% |
| CR&R | Less than 0.1% | 99.9% |
| Quality Waste | Less than 0.1% | 99.9% |
| Melva | Less than 0.1% | 100.0% |
| Active Recycling | Less than 0.1% | 100.0% |
| Lannen | Less than 0.1% | 100.0% |
| Minuteman | Less than 0.1% | 100.0% |
| Direct Disposal | Less than 0.1% | 100.0% |

Although the existing waste hauler permit system and the AB 939 Compliance Fee have been an effective tool used by LASAN in establishing significant recycling programs, the current solid waste hauling system limits the City's ability to address many of the current challenges it faces. These challenges include compliance with new state mandates, City diversion goals, and the environmental and health impacts of waste hauling. The current permit system does not have requirements for the flow of materials into the market, nor tracking for recyclables

The Sustainable City pLAn issued by Mayor Eric Garcetti includes the vision of Los Angeles becoming the first big city in the U.S. to achieve zero waste, and recycle and reuse most of its waste locally. The pLAn target measurements include landfill diversion of 90% by 2025, and 95% landfill diversion by 2035, by productively reusing a majority of our waste within LA County by 2035. This vision will require the expansion and development of infrastructure to handle solid resources, as well as policies of requiring waste diversion and extended producer responsibility.

Due to the existing permit structure, some waste haulers are not required by the state to operate clean alternative fuel vehicles, thereby negatively impacting local air quality. In addition, multiple haulers operating in a given area translate to more refuse trucks on the road, traffic impacts, and more localized emissions. Price and customer service vary widely depending on the size of the business and current private waste hauler. The current permit system also does not monitor compliance by private waste haulers with state laws regarding employee health and safety requirements for their employees collecting and processing commercial waste.

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Changes in Regulations over Solid Resources Management in California

The California Integrated Waste Management Act of 1989 (AB 939) was adopted by the state to regulate solid waste management in California. AB 939 established an integrated waste management hierarchy to guide the California Integrated Waste Management Board (now CalRecycle) and local agencies to implement, in order of priority: (1) source reduction, (2) recycling and composting, and (3) environmentally safe transformation and land disposal of refuse. AB 939 mandated cities and counties to divert 25 percent by January 1, 1995 and 50 percent by January 1, 2000 of all solid waste from landfill through source reduction, recycling, composting and transformation activities. The City has surpassed this requirement, with a 76.4% diversion rate as of 2013.

In 2006, the Legislature passed the California Global Warming Solutions Act of 2006 (AB 32), which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required the California Air Resources Board (ARB) to develop a Scoping Plan that describes the approach California will take to reduce GHGs to achieve the goal of reducing emissions to 1990 levels by 2020. Mandatory Commercial Recycling was one of the measures adopted in the AB 32 Scoping Plan by the ARB to increase commercial waste diversion as a method to reduce GHG emissions. To achieve the measure's objective, an additional 2 to 3 million tons of materials annually would need to be recycled from the commercial sector by the year 2020 and beyond.

On October 5, 2011, AB 341 was signed, requiring not less than 75% of solid waste generated in California be source reduced, recycled, or composted by the year 2020. On and after July 1, 2012, AB 341 also requires a business that generates more than four cubic yards of commercial solid waste per week or a multifamily residential dwelling of five units or more to arrange for recycling services. CalRecycle is the state agency charged with developing the plan to bring the entire state to 75% waste diversion from landfills by 2020.

LASAN provides recycling services for all of our residential customers, and administers a voluntary program for privately served multifamily complexes. The City's current system does not monitor compliance by commercial businesses, as the permits do not require specific recycling or composting programs, and businesses may choose permitted private haulers that do not offer any recycling services.

In October 2014, AB 1826 Chesbro (Chapter 727, Statutes of 2014) was signed, requiring businesses to recycle their organic waste on and after April 1, 2016, depending on the amount of waste they generate per week. Organic waste, also referred to as organics, means food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste. Organics are recyclable through composting and mulching, and through anaerobic digestion, which can produce renewable energy.

AB 1826 phases in the mandatory recycling of commercial organics over time, requiring businesses that generate four cubic yards or more of commercial solid waste per week to arrange for organic waste recycling services by January 1, 2019. If statewide disposal of organic waste in 2020 is not reduced by 50 percent below the 2014 baseline disposal level the organic recycling requirements on businesses will expand to cover businesses that generate two cubic yards or more of commercial solid waste per week. The City's current system does not allow for the implementation of AB 1826 to commercial businesses, and does not track or monitor the diversion results.

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Actions Taken by the City of Los Angeles for the Development of the Zero Waste LA Exclusive Franchise System (Franchise System)

In November 2010, a motion (Huizar and Koretz) was introduced in City Council directing LASAN to examine whether an exclusive commercial and multifamily franchise system would assist the City in meeting its Zero Waste and environmental goals. Development of the Franchise System required extensive stakeholder outreach and opportunities for public comment. LASAN staff conducted twenty-eight (28) public workshops and multiple meetings with industry groups including private waste haulers, studios, hospitals, non-profit organizations, and business associations.

Under state law (Public Resources Code section 49520), local governments must give at least a five-year notice to the solid waste haulers operating in their jurisdiction of changes in how a city provides services. In July 2006, LASAN issued a seven year notice to private waste haulers regarding solid waste handling for all multifamily establishments, excluding multifamily establishments collected by the City. On December 16, 2011, after approval by the Mayor and City Council, LASAN issued a five-year notice to permitted haulers regarding solid waste handling for all commercial establishments.

On November 14, 2012, the Mayor and City Council adopted the actions (Council File No. 10-1797) instructing LASAN to develop an exclusive franchise system to modify the existing permitted hauler system for the collection of solid resources from multifamily and commercial establishments. LASAN was also instructed to prepare an Environmental Impact Report (EIR), and a Franchise Implementation Plan on the proposed project.

In January 2013, LASAN sent an information request to existing permitted haulers, soliciting input on the development of the form and structure of the proposed project. The responses to the information request were considered in the development of the proposed project and its alternatives, which are described in the Franchise Implementation Plan. Multiple meetings were held including discussions by the City Council's joint Energy and Environment and the Ad Hoc on Waste Reduction and Recycling Committees on February 20, 2013 and March 20, 2013. LASAN also conducted an Open House on April 4, 2013 to accept comments on the proposed franchise zone boundaries. The City established a total of eleven (11) Franchise Zones, (Transmittal No. 2), considering the following factors:

- Zones sized with a range of 1,000 to 13,000 accounts,
- Key geographic features such as rivers, mountains,
- Major roadways,
- Prior patterns of service for collection firms,
- Proximity to unloading facilities (processing, transfer, disposal), and
- A research survey conducted from several cities and counties.

Three (3) of the Franchise Zones were designated as "small" in order to create opportunities for smaller collection companies to compete for Franchise contracts. It should be noted that a proposer awarded any one of the "small" Franchise Zones may not be awarded any of the other ten (10) Franchise Zones.

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In April, 2013, the Mayor and the City Council approved the Franchise Implementation Plan, including the program goals used to develop the proposed project. Key guidelines include the following:

- Blue Bin recycling at every customer site, and a phase in of Organics recycling over time;
- No more than 49% of service may be performed by a single company;
- Include a capped cost of living increase in contracts;
- Require contingency plans to provide uninterrupted service;
- Require extensive, ongoing public education;
- Address special needs of Hospitals and other medical facilities;
- Provide an alternative process for Studios.

In April, 2014, the Mayor and the City Council certified the Final Environmental Impact Report and adopted the ordinance authorizing the Zero Waste LA Franchise System, which was signed by the Mayor on April 15, 2014 (Council File: 10-1797-S15). The proposed exclusive franchise system was found to be the environmentally preferable alternative.

On June 11, 2014, the Board authorized LASAN to distribute a Request for Proposals (Transmittal No. 1) and to negotiate Personal Service Contracts with solid waste haulers for the Franchise System.

On June 12, 2014, the RFP was released by the Board of Public Works and 15 proposals were received by the due date of October 29, 2014. Companies submitting proposals included the following:

Table 2 – Proposals Received

| Proposals Received | |
|--------------------|--|
| 1 | AAA Rubbish Inc |
| 2 | Athens Services, Inc |
| 3 | CalMet Services, Inc |
| 4 | Consolidated Disposal Service, LLC DBA Republic Services |
| 5 | CR&R |
| 6 | NASA Services, Inc |
| 7 | Pacific Coast Waste, LLC DBA Pacific Coast Waste |
| 8 | Recology |
| 9 | SVT Services, Inc |
| 10 | United Pacific Waste |
| 11 | Universal Waste Systems, Inc |
| 12 | USA Waste of California, Inc. DBA Waste Management |
| 13 | Ware Disposal, Inc |
| 14 | Waste Connections of California, Inc, DBA Green Team of Los Angeles (GTLA) |
| 15 | Waste Resources Los Angeles, Inc |

In February 2015, the Mayor and the City Council approved LASAN's Franchise System staffing plan, to add City resources over a period in anticipation of the implementation of the Franchise

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System. All resources have been allocated to the program, with managers and key staff hired, and will be ready for implementation in mid-2017.

On July 10, 2015, the Board of Public Works deemed all fifteen private waste haulers responsive to the Business Inclusion Program requirements for the Franchise System.

Zero Waste LA Franchise System Staffing Plan

In recognition of the need to have sufficient resources to undertake the entire renovation process for the City's solid resource management system, in February 2015, the Mayor and City Council approved a staffing plan for the Franchise System. The staffing plan included the following key features:

1. Three phases of adding new authorities, completed in fiscal year 2016-17;
2. Staff for the new system, including new regular authorities for the Franchise System, as well as current positions being dedicated to the new system; and
3. The ability to add staffing through contract or as-needed for the 'surge' period when the program first rolls out to customers.

LASAN created a new Solid Resources Commercial Franchise Division to administer and manage the new Franchise system and its contracted waste hauling companies. This Division, as well as those Divisions providing support, are charged with the following responsibilities:

1. Management, administration, finance, and contract oversight (15 staff);
2. Certification process and system for all facilities handling or receiving materials under the Franchise system (10 staff);
3. Field inspection to manage customer issues and provide support on City ordinance requirements (unit of 32 full time staff);
4. Customer Care Center needs (2 full time supervisors and 16 full time Customer Information Representatives);
5. Information Technology needs (5 staff); and
6. Zero Waste and Landfill Diversion (7 staff)

Franchise System staff continued to be hired as City personnel processes allow. LASAN will have sufficient staff on hand to manage the transition period beginning with notification in mid 2017.

Zero Waste LA Franchise System Request for Proposals (Franchise RFP) process

Key Elements of the Franchise RFP

The Franchise RFP had the following primary objectives:

1. Higher diversion (at least 65% disposal reduction in each zone) through 100% blue bin recycling at customer sites, and increasing organics management programs;
2. Fair and equitable customer service rates through predictable, capped increases and published rates for solid resources and extra services;
3. Reduced street and air quality impacts through clean fuel vehicles and efficient routing;
4. Superior customer service through specific requirements and procedures with monitoring and enforcement by LASAN;

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5. Improved health and safety for solid waste workers through certification of all facilities accepting solid resources through the Franchise System;
6. Long term competition by awarding multiple contracts and varying sized zones; and
7. Reliable system infrastructure through expanded and new development.

The Franchise RFP provided the opportunity for waste collection companies to submit proposals for initial ten-year contracts with an additional two optional five-year extensions. Each waste hauling company holding a franchise contract would become the exclusive provider of Solid Waste, Cmingled Recyclables, and Organics collection and handling services for privately served commercial and multifamily customers in one or more of the Franchise Zones defined by the City.

The franchise service model is intended to mirror LASAN's curbside service model, to the extent possible, for consistency of messaging and education, and ease of use by City residents and businesses such as: Blue bin for recyclables, green bin for yard waste and organics, and black bin for residual waste. Bulky item collection will be provided universally citywide by LASAN to all residential sectors including single family, multifamily, condominiums, townhouses and high-rise residential towers.

The following waste categories are exempt from the Franchise System: Medical Waste, Hazardous Waste, Electronic Waste, Radioactive Waste, Pharmaceutical Waste, Construction and Demolition Debris (C&D), and specialty waste such as biosolids or fats, oils and grease (FOG). Waste generated at on-location filming is excluded. Also, recyclables that are sorted and either sold or donated are not included in the Franchise System.

As priority customers, hospitals and their special requirements were specifically included in both the RFP and resulting contracts. Due to the unique nature of the use of their facilities, major studios defined per Ordinance are allowed to contract with any of the Exclusive Franchise haulers, as long as they meet the programmatic requirements of the Franchise System.

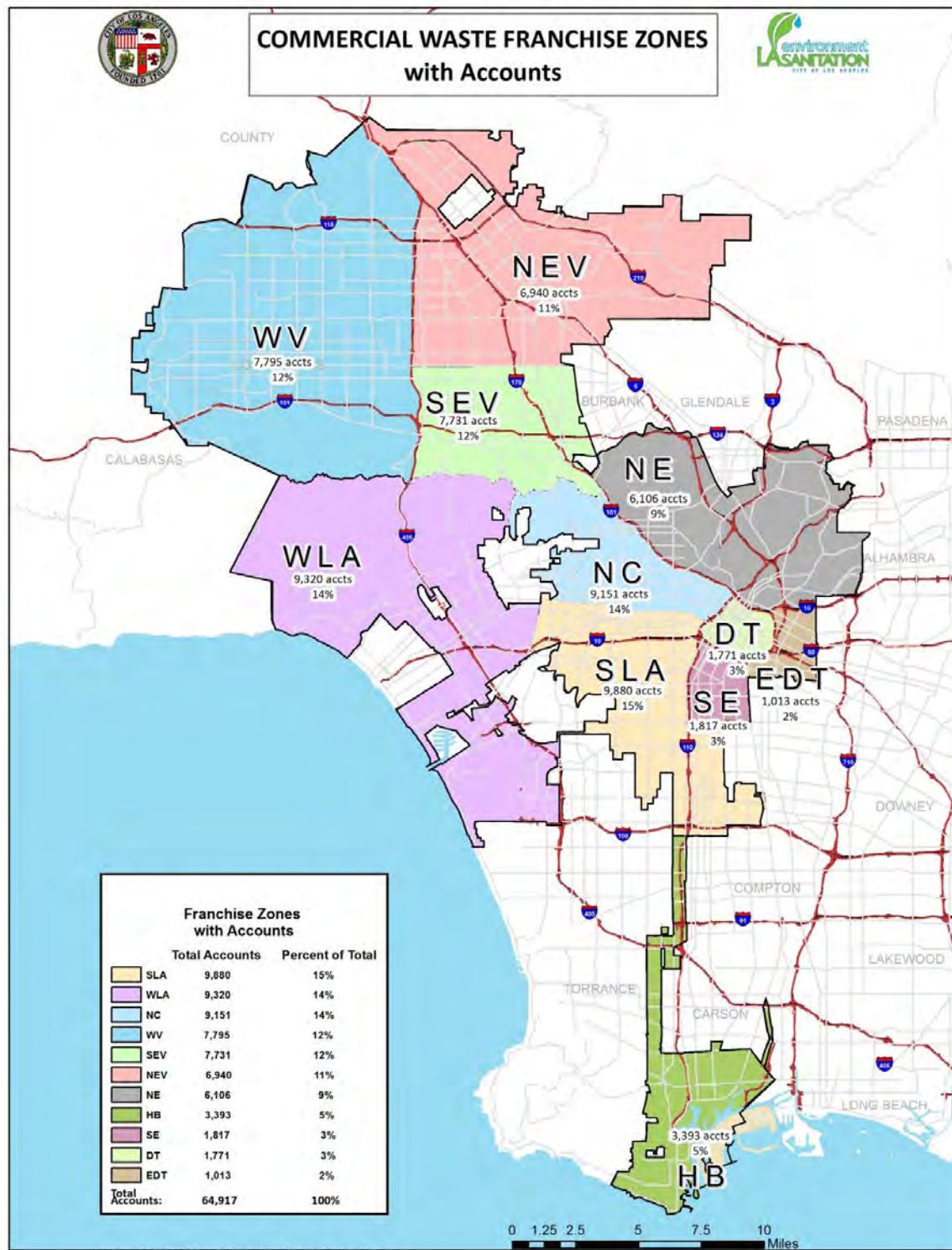
The Table 3 and Map 1 below shows each zone's number of service accounts, based on self-reported information from current permitted haulers.

Table 3 – Accounts per Franchise Zone

| Franchise Zone | Total Service Accounts |
|-------------------------|------------------------|
| West Valley (WV) | 7,795 |
| Northeast Valley (NEV) | 6,940 |
| Southeast Valley (SEV) | 7,731 |
| West Los Angeles (WLA) | 9,320 |
| North Central (NC) | 9,151 |
| Northeast (NE) | 6,106 |
| South Los Angeles (SLA) | 9,880 |
| Harbor (HB) | 3,393 |
| Downtown (DT) | 1,771 |
| East Downtown (EDT) | 1,013 |
| Southeast (SE) | 1,817 |
| | 64,917 |

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Map 1 - Franchise Zone's Geographical Area and the Number of Service Accounts.



**Exhibit 3
3-10**

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To maximize efficiency, the City allowed proposers to submit proposals for multiple zones as a single group, called a bundle. The City created three (3) bundles for this purpose. The proposers were also allowed to also develop one (1) bundle as well. Therefore, each proposer could propose on any or all of the eleven (11) individual zones, and up to four (4) bundles.

As there are eleven (11) zones, there could have been as many as eleven (11) contracts recommended. No single proposer would be awarded more than 49% of all customers. This will ensure that there are sufficient resources available in the case where redundancy is needed, backup in case of service interruptions, options in case of emergency, opportunities for smaller, local waste haulers, meeting the City's Business Inclusion Program (BIP), and fostering the availability of long-term competition.

Evaluation Process

The objective of the evaluation process is to award Franchise Agreements to qualified proposers that best demonstrate the ability to effectively and efficiently achieve the City's customer service, diversion, and service delivery objectives, as defined in the RFP, while also providing fair and equitable customer rates.

The evaluation process was conducted by five (5) Evaluation Teams. Each team was responsible for a single Franchise RFP scoring category: qualifications, customer service plan, diversion plan and innovative ideas, service plan, and cost proposal. The Evaluation Teams were comprised of four (4) or more team members, from both LASAN and consultant teams, having expertise in each evaluation category, and a team leader. Each Evaluation Team reported their finding and scores to the Evaluation Committee that reviewed findings and scores for completeness. The Evaluation Committee was responsible for combining individual Team scores into a final proposer score.

Roles and Responsibilities of the Evaluation Team Members

Each team member fulfilled a prescribed role in order for the evaluation process to run smoothly and efficiently.

Protecting each proposer's proprietary and confidential information was an important objective of the selection process. Every Evaluation Team Member signed a Confidentiality Agreement to ensure that all information furnished by the proposers would not be disclosed, copied, reproduced or distributed. The following was the evaluation protocol:

- Evaluation sessions were restricted to Evaluation Team Members and subject matter experts. They were closed to the public and City staff who were not supporting the Evaluation Team.
- The evaluators did not discuss the contents of the submitted proposals, procurement activities or evaluation findings with anyone outside of the Evaluation Team.
- There was no communication between the evaluators and the proposer organizations from the date of the RFP release through the evaluation process with the exception of contact as necessary to complete evaluation activities as approved by the Evaluation Committee.
- Evaluators did not communicate the scoring outcomes or content of proposals, and did not disclose the status of any proposal.

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The RFP was scored using relative weights for criteria within each scoring category as follows:

Table 4 – Franchise RFP Scoring Weights

| RFP Category | Points |
|-------------------------------------|------------|
| 1. Qualifications | 10 |
| 2. Customer Service/Transition Plan | 25 |
| 3. Service Plan | 20 |
| 4. Diversion Plan/Innovation | 25 |
| 5. Cost and Franchise Fee | 20 |
| Total | 100 |

Each Evaluation Team reviewed and scored separate sections of the proposals using the evaluation methodology set forth in the evaluation manual. Each Evaluation Team Member individually scored each criterion within a category on a scale of whole scores from 1 to 5. Each Evaluation Team had a leader who facilitated the process of arriving at a consensus-based score for each criterion within the category.

Evaluation Findings

All fifteen (15) proposals received in response to the RFP were reviewed for completeness. The Board of Public Works found all proposals were in compliance with the BIP requirements and deemed to be responsive (Transmittal No. 11). A short summary of each proposer follows:

Athens Services

Athens is a family owned business in the County of Los Angeles. Athens serves more than 200,000 commercial and residential customers with a fleet of more than 300 collection, hauling, and container vehicles in Riverside and Los Angeles Counties. Within the City, Athens is the largest service provider with a customer base of 26 percent. Athens owns and operates three material processing facilities, four collection yards, two container storage facilities, and an organics compost facility.

Republic Services

Republic provides solid resources services to 13 million customers nationwide and in Puerto Rico. Republic owns or operates 334 hauling companies, 194 transfer stations, 191 active solid waste landfills, 74 recycling facilities, and 69 landfill gas and renewable energy projects. Within the City, Republic is one of the largest service providers with a customer base of 20 percent. Republic holds long-term exclusive solid waste collection contracts with 40 municipalities in Los Angeles, Orange, and San Bernardino counties. Republic employs approximately 33,000 professionals nationwide and nearly 1,000 professionals throughout Los Angeles County.

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Waste Management

WM is a Delaware corporation and a wholly-owned subsidiary of Waste Management, Inc. Within the City, WM is one of the largest service providers with a customer base of nearly 15 percent and is one of the City's multifamily recycling collection service contractors. WM services many city franchises throughout the state and has experience servicing businesses special needs. WM has a significant amount of experience in hauler transition.

NASA Services, Inc

NASA is a family owned business which has been operating in Los Angeles for over 50 years. NASA is a current franchise hauler for the cities of Pico Rivera and La Cañada. NASA serves 14 percent of the accounts in the City, with 90 employees and 65 collection trucks in Los Angeles and Orange Counties. NASA is also one of the City's multifamily recycling collection service contractors with about 3,000 customers.

Recology Los Angeles

Recology, a wholly-owned subsidiary of Recology, Inc, is incorporated in California, and is headquartered in San Francisco. Recology serves over 778,000 commercial, multi-family, and residential customers in 118 communities across California, Nevada, Oregon, and Washington. At the time of its proposal, Recology had recently purchased a local hauling company (Crown Disposal), its transfer station and material recovery facility (Community Recycling), and its composting facility (Lamont Composting).

Universal Waste Systems

UWS has been a family-owned waste hauling and processing business for 28 years. UWS collects from 9 percent of the accounts in the City. UWS is one of the City's multifamily recycling collection service contractors. UWS currently operates 150 collection vehicles and six (6) new compressed natural gas (CNG) powered vehicles are ready to be deployed.

United Pacific Waste

UPW is a family-owned and operated California Corporation since 2001. UPW management has over 90 years of combined experience in the solid waste and recycling industry. UPW reported that they serviced more than 2,000 municipal and private customers in the Los Angeles area, including 700 in the City. UPW is the franchise hauler for Hunting Park and has provided services for the cities of El Monte and West Hollywood.

Ware Disposal

Ware is a California Corporation, based in Santa Ana, and has served Southern California since its establishment in 1968. Ware provides service to more than 20,000 residential and commercial accounts, using over 100 collection trucks. Ware has two exclusive franchises that service Laguna Woods and the unincorporated areas of Orange County. Ware hauls from more than 25 school districts in Los Angeles, Orange, and San Bernardino counties.

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CalMet Services, Inc.

CalMet is a family-operated, privately held corporation headquartered in Paramount, California. CalMet has an experienced management team operating franchises in Downey, Paramount, Cerritos, Lomita, and unincorporated Los Angeles County. It currently owns Paramount Resource Recycling Materials Recovery Facility and is a sister company to Tierra Verde Industries in Orange County. CalMet has proposed to construct a new material processing facility capable of processing 2,450 tons per day.

CR&R, Inc

CR&R was established more than 50 years ago, currently serving over 50,000 commercial and multifamily customers. To handle solid resources, CR&R proposed the use of a number of disposal and processing facilities including CLARTS, the Culver City Transfer Station, Full Circle Recycling, the Downey Area Recycling and Transfer Facility, and CR&R owned Lakeview Compost Facility and CRT Material Recovery Facility. CR&R is in the process of constructing an anaerobic digester to handle organics.

Waste Connections

Waste Connections is a wholly owned subsidiary of Waste Connections, Inc., a publicly traded company on the New York Stock Exchange. WCN is the third largest provider of municipal solid waste services in the United States with over two million residential, commercial, and industrial customers in 31 states. WCN has 6,500 employees and manages 148 solid waste collection operations, 67 transfer stations, 35 recycling operations, and 6 composting operations. WCN owns the Chiquita Canyon Landfill and is partnering with Southern California Disposal & Recycling, Potential Industries, UWS, and Community Recycling & Resource Recovery to handle solid waste from the City of Los Angeles.

AAA Rubbish, Inc

AAA is a family owned and operated hauler with eighteen (18) employees headquartered in Bell Gardens, California. AAA operates twelve (12) full-size collection trucks, two (2) small trucks, and three (3) company vehicles. AAA currently serves 1,482 business customers in the Greater Los Angeles area including 846 in the City.

Pacific Coast Waste

Pacific Coast Waste Services, LLC, is a California-based, Local and Minority Business Enterprise. In the past, PCW had provided services for the City of Compton, City of Inglewood, L.A. Unified School District, and the City of Los Angeles. Pacific Coast Waste was the franchise hauler for the City of Compton from 2007 to 2012, and was awarded a 12-year extension in 2013, but did not perform the services. Pacific Coast Waste sold its franchise and at the time of its proposal was not operating a waste hauling business.

Waste Resources Los Angeles

Waste Resources Los Angeles, Inc. (WRLA), is a wholly owned subsidiary of Waste Resources, Inc., a Los Angeles based waste management firm founded in 2002. The management team is from

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Western Waste Industries which had merged with USA Waste, which later changed its name to Waste Management. As of 2013, WRLA is the franchise hauler for the cities of Gardena and Lynwood.

SVT Services

SVT Services, Inc. (SVT) is based in Tustin, California. SVT staff has over 17 years of combined waste hauling experience in the Los Angeles area, although SVT is fairly new. SVT has set up successful recycling programs at Downtown buildings such as Wells Fargo Center, AON Building, Union Bank Plaza, and the Washington Building.

Proposed Zone Unit Cost Comparison

In their proposed zones, Athens and Ware consistently had the lowest costs. NASA Services, UPW and Waste Management also had low costs, although slightly higher than Athens and Ware. AAA, Republic, and Pacific Coast Waste had the next lowest costs, but their cost was approximately twice that of the lowest cost proposers. CalMet, CR&R, UWS, Waste Connections and WRLA had costs more than twice the lowest cost proposals. Recology Los Angeles and SVT had costs of three times or greater than the lowest cost proposals.

The Evaluation Committee conducted follow-up interviews with each proposer to clarify the findings, questions and concerns raised by the Evaluation Team members. The Evaluation Committee verified the preliminary scores of specific sections to create final scores for each proposer, resolved any scoring disagreements, ranked all proposals by zone, and presented the findings to the Steering Committee.

Goals of the Negotiation Process

The fundamental goals of the contract negotiation process are to reach consensus on contract terms while ensuring acceptable results for both parties. During the negotiations, all parties agreed to the following code of conduct:

- Confidentiality;
- Negotiations did not imply that the Proposer had secured the contract;
- Maintenance of an ethical approach and conduct was required at all times;
- Interpersonal differences were to be resolved away from the negotiation room;
- All participants were to retain an open mind at all times;
- Seek long term results; and
- Ensure that essential terms had been mutually agreed to when proposing to add to a contract.

The Lead Negotiators were responsible for ensuring that the objectives and goals of the negotiation were met. Team members were responsible for developing contract language from the agreed upon negotiated terms. Technical experts provided technical input and insight during negotiations.

All negotiation meetings took place over a series of sessions with the assigned representatives of the selected proposers. The Negotiation Teams reaffirmed the negotiation objectives as related to the topics of discussion and terms, understood the negotiation approach, discussed anticipated issues and approach to overcome such issues, and met weekly to review agreed upon terms, discuss outstanding

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issues, develop positions, develop strategies to reach agreement, and provide guidance to the development of contract terms.

Each proposer demonstrated its abilities to meet the City's requirements for:

- A high level of customer service;
- Smooth and seamless transition from incumbent hauler(s);
- Updating collection vehicles and equipment to meet state and South Coast Air Quality Management District (SCAQMD) regulations;
- The use of state-of-the-art technology for the collection vehicles, equipment, and facilities, including the Call Centers;
- Compatible technology to interface with the City's Customer Care Center;
- Achieving waste disposal reduction in order to meet the City's Zero Waste goal by 2025, and state requirements for mandatory commercial recycling;
- Providing solid resources collection and handling services satisfactorily at commercially reasonable, negotiated rates; and
- All other terms and conditions of the contract.

Wherever applicable, proposers were encouraged to invest in capital improvements and to use facilities within the City to create and sustain more local job opportunities.

Final Scores and Zone Awards

Initial Shortlisting

Each of the proposals was evaluated by each of the five independent evaluation teams assigned to one of the five criteria indicated in the Franchise RFP. The scores assigned by each of the teams were aggregated and summed for each of the companies yielding a total final score. The companies were ranked according to their final score in either the large zones and/or the small zones (see Tables 5 and 6, and Chart 1 and 2). In accordance with Section 4.1.1 of the RFP, the City reserves discretion as to which zones the City chooses to negotiate with each proposer.

The Council-approved Implementation Plan contains clear provisions on the award of franchise zones:

- No one Franchisee shall be awarded more than 49% of the franchise market share.
- No one Franchisee shall be awarded both a large zone and a small zone.
- No one Franchisee shall be awarded more than small zone.

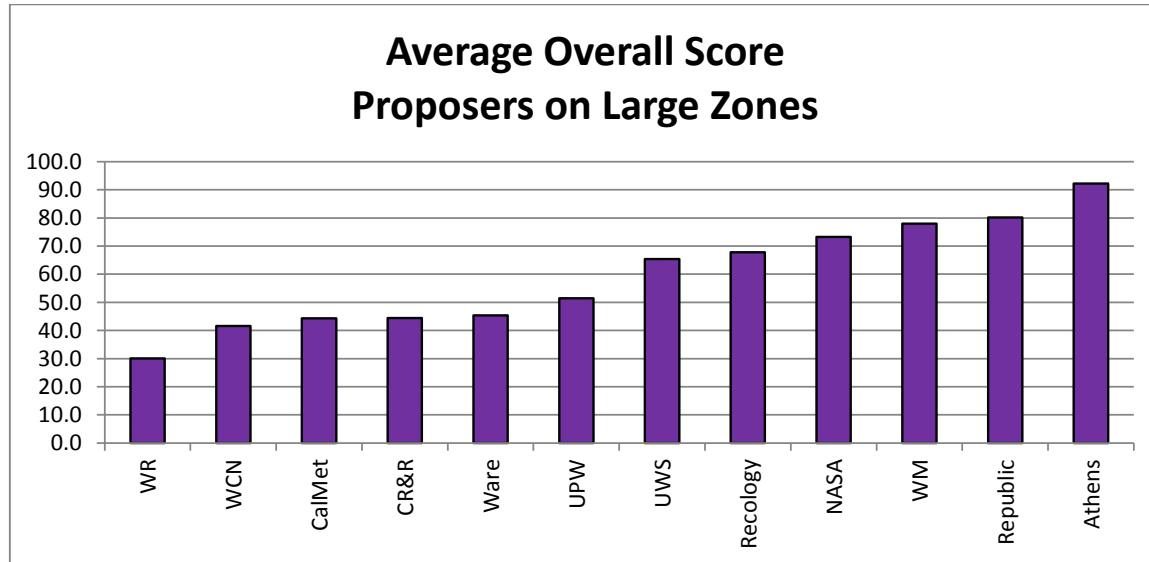
In consideration of these provisions, LASAN used the companies overall ranking, their operational and organizational capacity, their financial wherewithal, and their geographical strengths as determined by the LASAN team, to short-list a group of companies, in both the large and small zones categories, to participate in the first round of the negotiations. Four companies (Athens, Republic Waste Management, and Recology) were invited to negotiate on two of the eight large zones as the initial pairings. Three companies (NASA, UWS, UPW) were invited to negotiate on one of the three small zones.

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Table 5 – Average Overall Score, Proposers on Large Zone

| Evaluation Criteria | WR | WCN | CalMet | CR&R | Ware | UPW | UWS | Recology | NASA | WM | Republic | Athens |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Qualifications | 5.1 | 6.2 | 6.9 | 6.8 | 6.1 | 6.3 | 7.6 | 7.9 | 7.4 | 8.4 | 7.7 | 8.8 |
| Customer Service | 4.9 | 6.9 | 8.5 | 6.2 | 4.2 | 12.7 | 13.9 | 23.2 | 11.2 | 19.7 | 20.2 | 24.8 |
| Service Plan | 7.7 | 8.4 | 12.5 | 12.3 | 10.4 | 8.4 | 13.9 | 14.2 | 12.1 | 19.4 | 18.5 | 17.4 |
| Diversion Plan | 6.2 | 18.6 | 9.8 | 15.1 | 4.7 | 6.7 | 23.4 | 22.5 | 24.4 | 14.2 | 21.8 | 21.4 |
| Cost and Fee Proposal | 6.2 | 1.5 | 6.6 | 4.0 | 20.0 | 17.3 | 6.6 | 0.0 | 18.1 | 16.3 | 12.0 | 19.8 |
| Total Score | 30.1 | 41.6 | 44.3 | 44.4 | 45.4 | 51.4 | 65.4 | 67.8 | 73.2 | 78.0 | 80.2 | 92.2 |

Chart 1

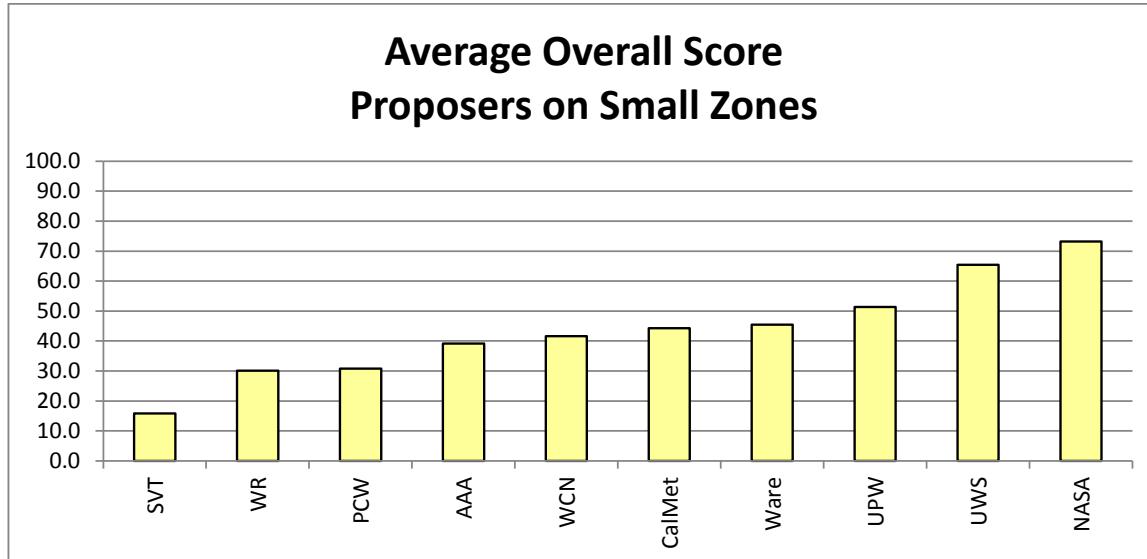


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Table 6 – Average Overall Score, Proposers on Small Zones

| Evaluation Criteria | SVT | WR | PCW | AAA | WCN | CalMet | Ware | UPW | UWS | NASA |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Qualifications | 1.7 | 5.1 | 3.8 | 4.4 | 6.2 | 6.9 | 6.1 | 6.3 | 7.6 | 7.4 |
| Customer Service | 0.4 | 4.9 | 4.5 | 6.1 | 6.9 | 8.5 | 4.2 | 12.7 | 13.9 | 11.2 |
| Service Plan | 5.2 | 7.7 | 5.4 | 8.2 | 8.4 | 12.5 | 10.4 | 8.4 | 13.9 | 12.1 |
| Diversion Plan | 8.5 | 6.2 | 3.6 | 6.9 | 18.6 | 9.8 | 4.7 | 6.7 | 23.4 | 24.4 |
| Cost and Fee Proposal | 0.0 | 6.2 | 13.5 | 13.5 | 1.5 | 6.6 | 20.0 | 17.3 | 6.6 | 18.1 |
| Total Score | 15.8 | 30.1 | 30.8 | 39.1 | 41.6 | 44.3 | 45.4 | 51.4 | 65.4 | 73.2 |

Chart 2



Negotiation Process and Zones

During the negotiation process, initial zone assignments were selected so that LASAN could negotiate specifically to cost proposal and service requirements. An extensive negotiation process that was specific to the initial zone assignments continued through March, 2016. During the negotiation process, Recology and LASAN could not come to terms on some key aspects of the contract. As a result, Recology withdrew from negotiations on March 24, 2016 (Transmittal No. 12).

With the withdrawal of Recology from the process, two large zones were now available to award. Following the rankings of the firms that proposed on large zones, LASAN offered NASA the opportunity to move from the Downtown Zone, which was the subject of negotiations up to that date, to the Northeast Zone. NASA declined and chose to stay in the Downtown Zone. Therefore, LASAN offered the Northeast Zone to UWS, the next highest ranked proposer in the large zones. UWS accepted the move from the Southeast Zone to the Northeast Zone. This created a vacancy in the small zone awards. LASAN moved to the next firm in ranking for the small zones, and invited

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Ware Disposal to begin negotiations. LASAN offered the second vacant large zone to Athens, the highest ranked proposer.

Negotiations continued until July 2016. In July it was determined that negotiations would not continue with UPW, and UPW withdrew from the negotiation process on July 26, 2016 (Transmittal No. 13). With the withdrawal of UPW from the negotiation process, LASAN returned to the ranking of the firms that submitted proposals on the small zones, and CalMet as the next highest ranked proposer was invited to negotiate on a potential award of the East Downtown Zone.

Zero Waste LA Zone Awards

LASAN recommends the franchise zone awards to the firms as shown in Tables 7 and 8. Franchise RFP evaluation scoring for the large and small zones was the greatest factor in award of franchise zones.

All recommended proposers have agreed to the LASAN-approved terms and conditions such as level of customer service, use of City-certified facilities and equipment, use of technology, reporting requirements to the City and other regulatory agencies, maximum unit cost at required level of service, and diversion targets to meet City's Zero Waste goal. The location, current availability, and timeliness of completion of new infrastructure were also factors in zone assignments. This new infrastructure is necessary to meet the City's long term diversion goals

Table 7 - Recommended Large Zone Award

| Ranking ¹ | Proposer | Recommended Large Zone Award | Number of Accounts |
|----------------------|----------|------------------------------------|--------------------|
| 1 | Athens | West LA, North Central, and Harbor | 21,864 |
| 2 | Republic | Northeast Valley and South LA | 16,820 |
| 3 | WM | West Valley and Southeast Valley | 15,526 |
| 4 | UWS | Northeast | 6,106 |

¹ – With the withdrawal of Recology and NASA electing to stay in the Downtown Zone

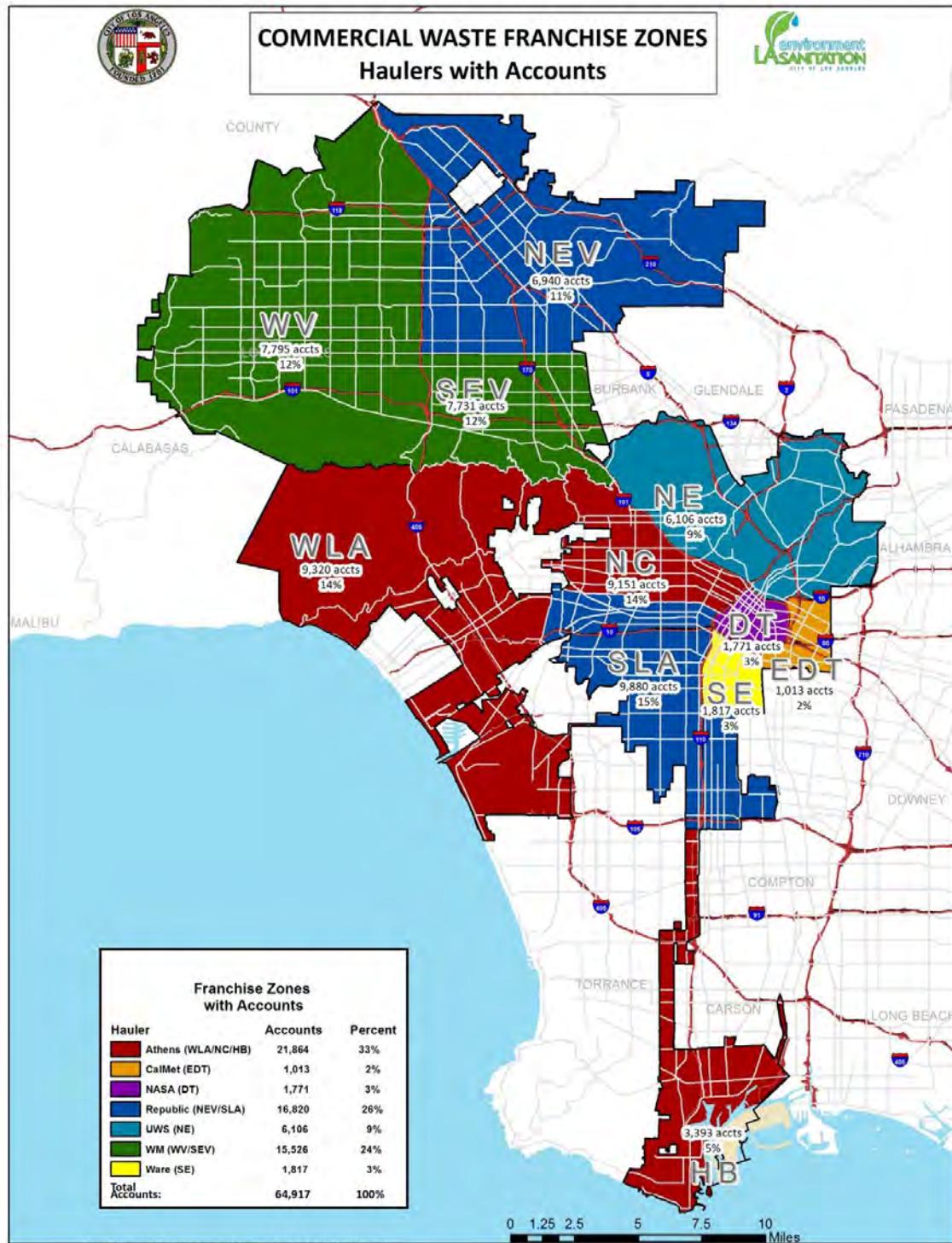
Table 8 – Recommended Small Zone Award

| Ranking ² | Proposer | Recommended Small Zone Award | Number of Accounts |
|----------------------|----------|------------------------------|--------------------|
| 1 | NASA | Downtown | 1,771 |
| 2 | Ware | Southeast | 1,817 |
| 3 | CalMet | East Downtown | 1,013 |

² – With the withdrawal UPW and UWS recommended for a large zone

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Map 2 – Recommended Franchise Zone(s) Awards



**Exhibit 3
3-20**

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City Policy – Headquarters in Arizona

Republic's local main office is located in the City, however, its corporate headquarters is located in Arizona. Republic has had a long presence in the City and currently collects solid waste from over twenty percent of the customers transitioning into the franchise system. Republic has a long history of contracting with the City and currently contracts for solid resource services. Presently, Republic operates seven solid resources facilities in Los Angeles County, and employs nearly 2,500 people in Southern California, of which over 1,000 are employed within Los Angeles County, with 145 residing in the City. Republic's experience, expertise, and resources are important to the success of the Franchise System. Republic's existing and proposed resources, made available through the franchise contracts, allowed staff to negotiate low rates that are sustainable through the term of the contract. Limiting infrastructure resources would limit competition and increase demand on other facilities, which could have a negative impact on processing and disposal fees and ultimately rates to the Zero Waste LA customers. For the foregoing reasons, there would be significant tangible and intangible additional costs to the City and its citizens were the City to refrain from entering into a contract with Republic.

Zero Waste LA Exclusive Franchise System Key Contract Elements and Program Goals

The initial term of these contracts is ten (10) years with an additional two (2) optional renewals for five (5) years each at the City's sole discretion. Each Contractor shall provide collection, transfer, recycling, processing and disposal services for municipal solid waste, commingled recyclables, and organics from commercial and multifamily customers in Franchise Zone(s).

Franchise System Timeline

As shown in Chart 3, LASAN anticipates starting Franchise System transition in January 2017, immediately after contract execution. The first steps in the transition process begin with the Franchisee procuring all the necessary vehicles, bins and equipment, and to start the necessary infrastructure improvements. As there are limited vendors for procurement items such as trucks and bins the lead time for these items can be as long as six months. Beginning in January 2017 LASAN will coordinate the orderly transition of the 65,000 customers with the Franchisees and existing waste haulers. In January 2017 LASAN will also begin testing the integration of LASAN's and the Franchisees' customer service systems. The initial planning, coordination and testing will take approximately six months. In July 2017 the Franchisees will begin the outreach, training and transition of customers into the Franchise System. Transition of all customers into the Franchise System will take approximately six months and will be completed by January 2018.

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Chart 3 – Franchise System Development and Implementation Schedule

| Task | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|------|------|------|
| Council motion (CF# 10-1797) to explore the benefits of commercial franchise | + | | | | | | | | |
| Council approved 5-year notice to haulers | | + | | | | | | | |
| LASAN report requesting authority to develop an exclusive franchise system | | | + | | | | | | |
| Council instructed Sanitation to develop Exclusive Franchise Program | | | | + | | | | | |
| Council approved Franchise Implementation Plan (FIP) | | | | + | | | | | |
| Prepare EIR and Ordinance | | | | | + | | | | |
| City Council Approved EIR and Ordinance | | | | | | + | | | |
| Mayor Signed Franchise Ordinance | | | | | | + | | | |
| Board of Public Work Approves Release of Franchise RFP | | | | | | + | | | |
| LASAN Receives 15 Proposals | | | | | | + | | | |
| LASAN Evaluates Proposals | | | | | | | + | | |
| LASAN Negotiation and Contract Development | | | | | | | + | | |
| Board Approval of Contracts | | | | | | | | + | |
| Council Approval of Contracts | | | | | | | | + | |
| Execution of Contracts | | | | | | | | + | |
| Outreach and Education/Program Implementation | | | | | | | + | | |
| Prepare EIR and Ordinance | | | | | | | | + | |
| Franchisee Begins Procurement (Trucks and Bins) and Infrastructure | | | | | | | | + | |
| Transition Coordination | | | | | | | | | + |
| Information Technology System Testing | | | | | | | | | + |
| Service Abandoned and Unserviced Accounts | | | | | | | | | + |
| City Notice to Customers | | | | | | | | | + |
| Franchisee Begins Servicing and Transitioning Customers (Franchise Fees Begin) | | | | | | | | | + |
| Franchisee Outreach, Training and Account Setup | | | | | | | | | + |
| All Customers Transitioned (Start of Service) | | | | | | | | | + |

Franchise System Goal - Meet the City's Zero Waste goals by establishing the maximum disposal for each zone, and implementing waste diversion programs that are consistent with the Solid Waste Integrated Resource Plan Guiding Principles. Meet and exceed California requirements for waste diversion and mandatory commercial and multifamily recycling

Franchisees will be required to provide recycling (Blue Bin) service to all customers. This service is unlimited at the same frequency of solid waste (Black Bin) collection, with additional frequency at a very low rate. The Contractor will continue source-separated Organics (Green Bin) service to customers that are already being provided this service, and will offer Organics service to all customers. Negotiated pricing for Organics service does not exceed the maximum rates for Black Bin service. All Customers shall receive an on-site Waste Assessment prior to service under the Franchise System, with additional waste assessments required every two years to assist customers in right-sizing their service and improving recycling and organics collection.

To assist Customers in reuse and food rescue, the Contractor is required to utilize and fund reuse organizations, provide information to their customers on their use, and report to LASAN on their success in moving usable materials back into productive use. Outreach and Education will be developed by LASAN, and the Contractor is required to educate residents and customers in the correct use of Blue and Green Bins, the benefits of reuse and food recovery, and other sustainability messaging.

Contractors are required to reduce the tonnage of solid waste disposed in their awarded Zone(s). In the first term (10 years) of the contract, approximately 65 percent of the materials collected must be moved from primarily Black Bin collection to recovery (Blue Bin or Green Bin). A baseline will be established during the first full year of service, with varying timelines for reaching the required disposal reduction. This disposal reduction, if not met, will result in liquidated damages as they are

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measured during the contract term. The Contractor is required to perform multiple sampling and characterization of materials and provide extensive reporting to validate that disposal reduction (diversion) is taking place.

Franchise System Goal - Ensure reliable system infrastructure to provide uninterrupted service to City customers.

The Franchise System will provide uninterrupted service to City customers by ensuring reliable system infrastructure through its Franchise contracts. The Contractors are required to have individual facility plans. The Contractors shall develop the facilities as detailed in the Facility Development Plan as per the Contract. The Contractor shall ensure that the newly developed facilities have the improvements and processing capacity to meet the demands of the Zone(s) awarded. Failure to develop new processing facilities in accordance with the Facility Development Plan may result in termination by default of the Contract.

Their specific infrastructural improvements of the recommended Contractors are briefly described below:

Athens

Much of the solid resources collected from Athens' recommended zones, located in the central part of the City, will be transported east to its existing and proposed infrastructure. Athens will invest in infrastructure development for the Franchise System. It has already invested in the expansion of its Sun Valley Material Recovery and Transfer Station. Additional improvements to this facility will include modifying the baler and processing line, installing a solar power system, and building an additional push wall. In its City of Industry Material Recovery Facility, Athens will upgrade the facility by installing an organics pre-processing system and adding a new building and other equipment over its recycling network. Athens has committed by contract to invest an additional \$10 million in infrastructure to manage solid resources from the Harbor Zone.

Republic

Republic has infrastructure near the City to service the South LA and Northeast Valley Zones. Republic will upgrade an existing composting facility in Chino that is co-owned by Agromin. The current windrow composting system operated at the facility will be converted to an aerated static pile system with additional screens. Republic will also modify its American Waste Transfer Station by enclosing the building to comply with the City's facility certification requirements.

WM

WM will construct a new enclosed transfer and processing facility in Sun Valley, adjacent to its recommended zones, that is designed to receive and process 2,000 tons per day (tpd) of solid waste, receive and transfer 1,000 tpd of recyclables, and receive and pre-process 1,000 tpd of organics. At its Lancaster site, WM will construct a 2,000 tpd organics processing facility with dry anaerobic digestion and aerated static pile composting systems. The existing Mission Road transfer station in Los Angeles will be improved by expanding its receiving area and enclosing its organics receiving area. In Wilmington, additional sorting equipment will be installed to the existing material processing facility.

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UWS

UWS will utilize new infrastructure just south of its recommended zone. UWS will develop its Santa Fe Springs Material Recovery Facility in two phases: Phase I (750 tpd) and Phase II (1,500 tpd). Its 24th Street Transfer Station in Los Angeles will be upgraded into a larger transfer facility with a 1,000 tpd processing capacity.

CalMet

CalMet will construct a new Royal Material Recovery Facility in Paramount next to its collection yard and existing transfer station. The new facility will be capable of processing 2,450 tpd.

Ware

Ware owns and operates the Madison Resource Recovery Facility in Santa Ana. Ware will improve this existing facility to accept and process organic waste.

The Franchise System will also provide additional organics infrastructure through new or expanded private partnerships. Athens has partnered with Anaergia, Inc. for the development of a bioenergy facility in Rialto that utilizes digestion technology to produce renewable energy from organics. The Rialto facility is expected to be operational in 2019. Republic has also collaborated with Anaergia, Inc. to build the Anaheim Sustainability Center, a state-of-the-art facility that will convert organics into renewable energy through the process of anaerobic digestion. This facility is anticipated to be completed in 2018. Both facility development projects will be entirely funded by Anaergia, Inc. with Athens and Republic supplying organics as feedstock to the digestion process.

Franchise System Goal - Create a consistent, clearly defined system with predictable and reasonable rates and contingency plans to ensure reliable service.

One of the goals of the Franchise System is a fair and equitable rate structure, with predictable rates. LASAN staff utilized private sector experts in the field of solid waste rate development, rate verification and modeling to assist in negotiating fair rates with all proposers. These experts utilized experience, industry standards and information provided by the proposers to develop rate models. These models took into account the requirements of the contract including clean fuel vehicles, education and outreach, staffing, infrastructure, and landfill reduction.

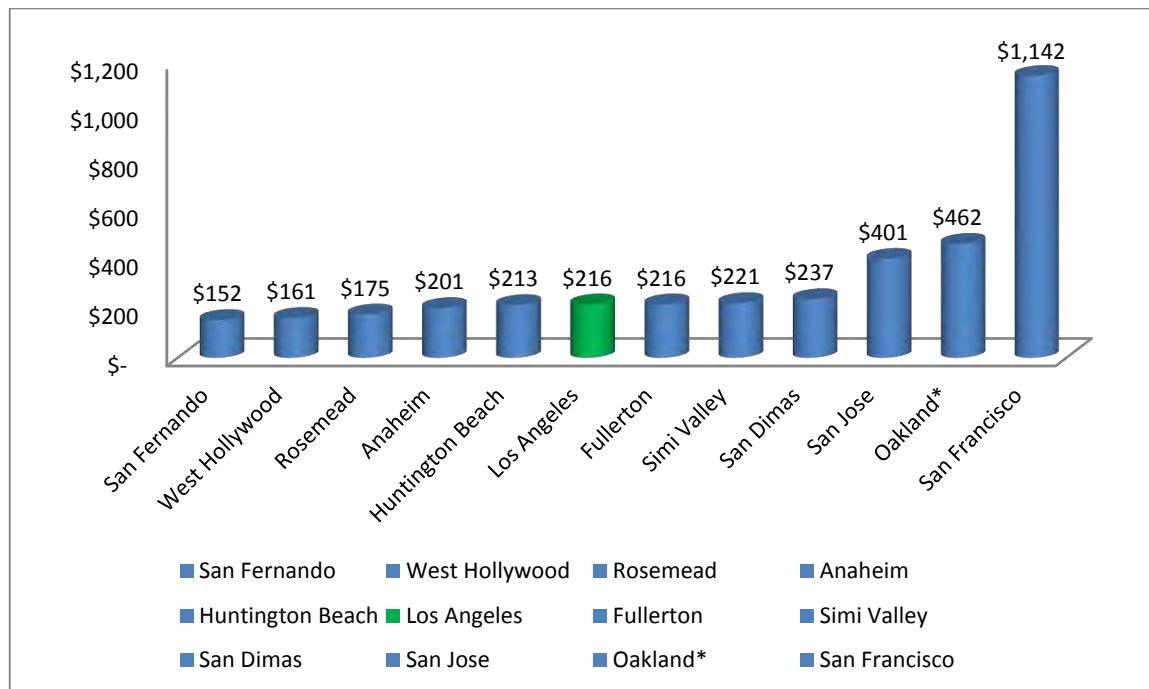
LASAN staff researched rates in other cities throughout the state, including current rates for solid waste and recyclables collection, both combined and individually. Many of the cities researched had separate rates for solid waste and recycling, which for comparison were combined into a single rate. In total, over one hundred California cities with franchise agreements were reviewed. Statistics for those rates are shown below in Table 9. In the Franchise System, the monthly rate for a 3 cubic yard solid waste bin, with unlimited recycling, collected once per week, is capped at \$216.72 per month, which is 15 percent lower than the average of the cities researched. Over one-third of all the cities researched have rates that are within +/-10 percent of the proposed Franchise System maximum rate.

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Table 9 – Rate Comparison

| Monthly Rate for Solid Waste and Recycling 3 cubic yard bin collected once per week (1-3-1) | |
|--|-----------------|
| Minimum | \$69.09 |
| Maximum | \$1,198.88 |
| Median | \$206.80 |
| Mean (Average) | \$257.24 |
| City of Los Angeles | \$216.72 |

Sample Rates of Commercial Exclusive Franchises in California
Solid Waste and Recycling
3 cubic yard bin collected once per week (1-3-1)



* - Rate for Oakland does not include collection of commingled recyclables

LASAN negotiated fair and equitable rates for all customers. Maximum rate caps citywide will ensure equity so that all of the City's business, institutional, and multifamily customers to receive the same services for a predictable rate. A citywide rate structure does not mean a one-size-fits-all approach. Customers will have a suite of solid waste and recycling options to choose from that promotes diversion and can be customized to fit their needs and/or desires. The rate schedules have been negotiated to help encourage additional diversion of material from landfills. The Contractors are required to include recycling services in their standard rates.

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To save money and divert more material from landfills, customers may request a larger recycling or green bin and/or more frequent recycling, green waste, or organics service, and the unit cost of that service is priced lower than comparable service for solid waste. This will provide a powerful incentive for driving additional material away from landfills and toward more beneficial uses. The rates were also structured to address the City's phased approach to organic recycling.

The Contractors can only bill customers for services up to the maximum rates as per the contract. The Contractors will bill all customers, except customers with temporary service such as roll-offs, one month in advance on a monthly basis. The Contractors shall be solely responsible for collecting bill payments from customers and services shall be performed on the basis of payment rendered. If a customer goes out of business, the Contractors shall be solely responsible for collecting that debt.

Another objective was predictable rate increases to customers. To this end, an annual compensation adjustment shall be made considering readily available cost indices. Costs in the Contract shall be used as the basis for adjusting Contractor compensation (plus additional financial information that may be requested by the City). These indices will be the same for all contracts, allowing rates to move consistently throughout the term of the contract. The total annual compensation adjustment shall not exceed five (5) percent. Over the last five years this compensation adjustment has averaged just over 2 percent annually.

Organics infrastructure, additional hauling, pre-processing, and processing will be required due to the special requirements of organics, especially food waste. These costs will become significant in years three and four of the contract, and will continue through the end of the contract. To account for these costs, there will be a three (3) percent increase in all rates for each of these years in addition to any annual rate increase. The contracts also allow for increases due to changes in law or regulations that result in an increased fee or assessment. In addition, the contracts contain a potential rate adjustment every 60 months of the contract, capped at 3%, to allow for unforeseen circumstances. These increases will be in addition to the calculated Consumer Price Index increase within the 5 percent cap.

LASAN has established a list of Extra Services included in each contract, which each Contractor shall offer their customers within the accompanying rates. Extra Services shall be increased annually in accordance with the formula specified for an Annual Compensation Adjustment.

Franchise Fee

The Contractors will pay, on a quarterly basis, a negotiated Franchise Fee to the City based on a percentage of the gross receipts billed to all customers. The payment is due on or before 30 days following the end of each calendar quarter.

AB 939 Compliance Fee

The AB 939 Compliance Fee will remain the same. The Contractors shall remit to the City the AB 939 Compliance Fee equal to ten (10) percent of gross solid waste receipts in accordance with Section 66.32 of the Los Angeles Municipal Code. The payment is due on or before 30 days following the end of each calendar quarter.

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Franchise System Goal - Provide the highest level of Customer Service through communication and delivery of services

The City's LASAN Customer Care Center and Dispatch Center, which operates 24/7, will be the first point of contact for customers initiating service requests, complaints, and inquiries either through phone, internet/website, or mobile/smart-phone application; except for billing inquiries, which may go directly to the Contractors' billing department. Each Contractor shall maintain a fully staffed call center operating Monday through Friday from 7:00 AM through 6:00 PM, and Saturday from 8:00 AM through 12:00 PM. During these regular business operating hours, customers shall be able to resolve all billing-related requests and inquiries. The Contractors shall be capable of handling customer inquiries and initiating service requests 24 hours per day, 7 days per week, to receive, respond and resolve all customer inquiries and service complaints.

The Contractors' customer support performance will be monitored and the Contractors must have sufficient technology in place to support the performance metrics specified in the Contract. The City will ensure that customer service standards are met. The City may, at its sole discretion, investigate all unresolved disputes between the Contractors and a Customer. At the end of the investigation, the City will determine the resolution of such disputes.

The Contractors shall provide sufficient staffing to meet and execute all requirements of this Contract including the transition period. All Contractors' and subcontractors' staff assigned to hospitals must comply with hospital medical screening and testing, integrity of the hospital waste stream from pick up to ultimate disposal, and Protected Health Information requirements.

The Contractors shall participate in the City's Solid Resources program outreach activities, including but not limited to: public appearances in support of the City's Recycling Program, use of the City's recycling theme, colors, and logos on collection vehicles and containers, distribution of promotional literature, participation in special events, special educational presentations, and similar activities.

The Contractors shall utilize the state-of-the-art technology available to meet the Contract requirements stated under customer service, outreach and education, field operations, solid resources collection, as well as all other elements of the Contract. The Contractors shall assist in maintaining LASAN's franchise customer database. This information must be able to interface with and cross-link to the City's account database software and technology.

Franchise System Goal - Improve the City's air quality by requiring late model low emission clean fuel vehicles

Collection vehicles must be clean fueled, using CNG or liquefied natural gas, and less than 8 years old at the start of the contract and less than 10 years old throughout the duration of the first term of the contract. Separate vehicles will be used for each commodity (Solid Waste, Commingled Recyclables, and Organics). When the program is fully implemented, the small zones will require about 44 total vehicles, excluding spares. The large zones may require as many as 340 total vehicles, excluding spares. While some of the proposers already have some CNG vehicles, most of them will need to be newly purchased. All will need to be replaced by the end of the initial 10 years of the contract. This will require a significant capital investment for the first 10 years of the project.

In addition, all collection vehicles, including tractor trailers that carry roll-off Containers, shall be in compliance with the SCAQMD Fleet Rule 1193. All solid resources collection vehicles shall be

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equipped with on-board technology (software and hardware) capable of monitoring and recording data, vehicle dynamics monitoring, lift monitoring, photo and video, and engine performance monitoring systems. On-board technology shall capture at minimum, fuel consumption, idle time, unsafe driving practices, safety inspections, vehicle maintenance, engine emissions, and container lifts. This data shall be communicated from the truck in real-time and maintained by the haulers. The data must be accessible transferred to the City in an acceptable format and in real-time. Contractor's collection vehicles and equipment shall be maintained in compliance with the manufacturer's specifications, and all applicable laws and regulations.

Franchise System Goal - Improve health and safety for solid waste workers under City contract provisions

All facilities intended for use by the Contractor in operations pertaining to this Contract shall undergo the City's facility certification process and maintain the certification in good standing while they are utilized under the Franchise System.

The Contractors are required to have a written contingency plan, describing the steps that the Contractors shall take to avoid interruptions in collection, disposal and processing services. At all times, the Contractors and their employees shall operate and maintain all collection vehicles and equipment in compliance with all applicable laws. The Contractors shall maintain all necessary licenses and registrations, and shall timely pay all fees and taxes, on all vehicles and equipment, as required under applicable laws.

The Contractors shall provide routine safety training to its employees, in compliance with OSHA, all applicable laws and its safety and training plan. The safety and training plan would include but not be limited to: general safety, alcohol and drug-free workplace, fire safety, driver training, accident prevention, personal protective equipment, solid resource collection safety, Illness and Injury Prevention Program, workplace free from sexual harassment, and workplace free from violence.

The Contractors shall use only City-Certified Facilities with sufficient capacity to process or dispose of all solid resources collected under the Contracts. The Contractors shall ensure that the City's facility certification requirements are met by the facilities utilized, whether or not the facility is located within the City boundaries. The facility plan shall include secondary or back up facilities to be utilized in the event a facility is unable to accept material. Residual waste from Certified Facilities shall be disposed of by the Contractor or the processing facility Subcontractor at a City-Certified Facility selected by the Contractor or its Subcontractor.

The facility certification process will include an inspection to enforce compliance with current laws and regulations, as well as enforce City compliance provisions. Violations will be enforced through liquidated damages and other means. All facilities used by the Contractors shall be in compliance with the regulations of dust, odor, litter, noise, and other issues arising from the operation of the facilities. The facility compliance requirements should help prevent health and safety hazards and nuisance to nearby communities. The operation of facilities used for the transfer and processing of solid waste and organics creates some environmental burdens that require full enclosure to address them. Certified Facilities are subject to compliance with recordkeeping, reporting requirements, and maintenance of compliance records. The Certified Facilities must undergo audit and inspection to ensure compliance with the terms and conditions of the Franchise agreement and adequate protection of workers, public health, and the environment.

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PROPOSED TERM OF AGREEMENT AND COST CEILING

The proposed contract term will be for ten (10) years, with two (2) 5-year renewal option(s). There are no cost ceilings associated with these contracts.

BUSINESS INCLUSION PROGRAM

The City recognized that the potential subcontracting opportunities and the associated level of participation would vary depending on the franchise zone(s) awarded. Due to the numerous proposal response option resulting from the eleven (11) zones Proposers submitted a Schedule A, List of Potential MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors, that was inclusive of all subcontractors for all zones for which the Proposer submitted a proposal. Following contract negotiations, the shortlisted Proposers prepared a final Schedule A for the contract for which they are recommended to be awarded. The final Schedule A includes the list of subcontractors and their pledged subcontractor participation dollar values.

On July 10, 2015, the Board of Public Works found all proposers responsive to the City's Business Inclusion Plan. At the time of distribution of the RFP for these services, the City established anticipated participation levels for this contract of 8% MBE, 5% WBE, 5% SBE, 1% EBE, and 1% DVBE. The following Contractors and their participation levels are as follow:

Athens Services has pledged participation levels of 2.51% MBE, 0.05% WBE, 0.08% SBE, 0.07% EBE, 0% DVBE, and 7.79% OBE.

NASA has pledged participation levels of 0.41% MBE, 1.63% WBE, 1.82% SBE, 0.19% EBE, 0% DVBE, and 1.38% OBE.

Republic Services has pledged participation levels of 1.08% MBE, 0.32% WBE, 1.96% SBE, 1.96% EBE, 0% DVBE, and 11.06% OBE.

Waste Management has pledged participation levels of 2.98% MBE, 2.23% WBE, 0% SBE, 0% EBE, 0% DVBE, and 8.81% OBE.

Universal Waste Systems has pledged participation levels of 0.88% MBE, 0.17% WBE, 1.45% SBE, 1.45% EBE, 0% DVBE, and 4.71% OBE.

Ware Disposal has pledged participation levels of 0.53% MBE, 0% WBE, 0.11% SBE, 0.11% EBE, 0.11% DVBE, and 0% OBE.

CalMet has pledged participation levels of 0.29% MBE, 0% WBE, 0% SBE, 0% EBE, 0% DVBE, and 7.27% OBE (See Tables below).

Gender/Ethnicity Codes:

AA = African American

HA = Hispanic American

SAA = Subcontinent Asian American

APA = Asian Pacific American

C = Caucasian

NA = Native American

M = Male

F = Female

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Athens:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|-----------------------|
| Aslan Consulting LLC | MBE | F/AA | 0.02% | \$250,000 |
| Container Management Group, LLC/ CDSRVS, LLC | MBE | F/HA | 0.06% | \$568,182 |
| JI Gandara Transport Inc. | MBE | M/HA | 2.40% | \$24,688,661 |
| Schafer Consulting | MBE, SBE, EBE | F/APA | 0.02% | \$250,000 |
| Consensus Inc. | WBE | F/C | 0.05% | \$500,000 |
| Three Squares International Inc/ One-Drop Interactive | WBE, SBE | F/C | 0% | \$50,000 |
| Isidore Electronics Recycling | SBE, EBE | - | 0.05% | \$496,000 |
| AEP/Arts Earth Partnership | OBE | - | 0.02% | \$200,000 |
| Anaergia Services LLC | OBE | - | 1.17% | \$12,065,972 |
| AXIOM Translations, LLC | OBE | - | 0.02% | \$240,000 |
| Chiquita Canyon Landfill/ Waste Connections | OBE | - | 4.10% | \$42,162,870 |
| Consolidated Fabricators Corp | OBE | - | 1.22% | \$12,500,000 |
| Discovery Cube Los Angeles | OBE | - | 0.01% | \$52,000 |
| Green Halo | OBE | - | 0.01% | \$60,000 |
| Global Green | OBE | - | 0.02% | \$200,000 |
| I:Collect AG/SOEX Group | OBE | - | 0% | \$25,000 |
| JJ Keller & Associates | OBE | - | 0.05% | \$489,600 |
| LA Shares | OBE | - | 0.03% | \$324,839 |
| Mario's Trucking | OBE | - | 1.02% | \$10,454,366 |
| Plastics Solutions Inc./ EcoSafe Zero Waste | OBE | - | 0.01% | \$150,000 |
| reDiscover Center | OBE | - | 0.02% | \$250,000 |
| Soft-Pak | OBE | - | 0.08% | \$785,000 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|------------------------|
| Sustainable Works | OBE | - | 0.01% | \$100,000 |
| Total MBE Participation | | | 2.51% | \$25,756,843 |
| Total WBE Participation | | | 0.05% | \$550,000 |
| Total SBE Participation | | | 0.08% | \$796,000 |
| Total EBE Participation | | | 0.07% | \$746,000 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 7.79% | \$80,059,647 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation | | | 10.40% | \$106,862,490 |
| Base Estimated Contract Amount | | | | \$1,027,792,030 |

NASA:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|---|------------------------------|----------------------|----------------------------|-----------------------|
| Clean-up America | MBE | M/AA | 0% | \$0 |
| Container Management Group, LLC | MBE | F/HA | 0.41% | \$765,345 |
| Go2Zero Strategies | WBE, SBE | F/C | 1.62% | \$3,000,000 |
| Kambrian Corporation | WBE, SBE, EBE | F/APA | 0.01% | \$10,000 |
| Isidore Electronics Recycling | SBE, EBE | - | 0.05% | \$100,000 |
| S. Groner Associates, Inc. | SBE, EBE | - | 0.14% | \$250,000 |
| Adapt Consulting Inc. dba Adapt Ad Specialty | OBE | - | 0.05% | \$99,998 |
| Consolidated Fabricators Corp. | OBE | - | 0.05% | \$100,000 |
| Distributors Unlimited | OBE | - | 0.27% | \$500,000 |
| Fleetmind Solutions, LLC | OBE | - | 0.26% | \$481,092 |
| Impact Eco Vision | OBE | - | 0.05% | \$100,000 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|---|------------------------------|----------------------|----------------------------|-----------------------|
| Environmental Inc. | | | | |
| Kuba & Associates, Inc. | OBE | - | 0% | \$0 |
| MHI Global (Impact Learning Solutions) | OBE | - | 0.01% | \$20,000 |
| Schafer Systems International, Inc. | OBE | - | 0.52% | \$961,625 |
| The Printing Connection | OBE | - | 0.02% | \$30,305 |
| The V Group | OBE | - | 0.05% | \$100,000 |
| True Truck, LLC | OBE | - | 0.03% | \$58,200 |
| Wastequip Manufacturing, LLC | OBE | - | 0.05% | \$100,000 |
| Total MBE Participation | | | 0.41% | \$765,345 |
| Total WBE Participation | | | 1.63% | \$3,010,000 |
| Total SBE Participation | | | 1.82% | \$3,360,000 |
| Total EBE Participation | | | 0.19% | \$360,000 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 1.38% | \$2,551,220 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Participation | Subcontractor | Firm | 3.61% | \$6,676,565 |
| Base Estimated Contract Amount | | | | \$185,000,000 |

Explanation for “\$0” Dollar Value of Subcontract:

Kuba & Associates, Inc. – It was determined that most of the proposed activities were not required.

Clean-up America, Inc. – Construction material is not a part of the contract, therefore services are not needed.

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Republic Services:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|---|------------------------------|----------------------|----------------------------|-----------------------|
| DYJP, Inc. Cabo Transport & Services | MBE | M/HA | 0.50% | \$4,500,000 |
| Container Management Group, LLC | MBE | N/A | 0.43% | \$3,900,000 |
| Titan Disposal | MBE | M/AA | 0.15% | \$1,350,000 |
| Mariposa Eco Consulting | WBE, SBE, EBE | F/C | 0.13% | \$1,195,000 |
| Paragon Language Services | WBE | F/C | 0.01% | \$100,000 |
| Pinnacle Petroleum | WBE | F/C | 0.18% | \$1,600,000 |
| AAA Rubbish, Inc. | SBE | - | 0% | \$0 |
| A-Mehr, Inc. | SBE, EBE | - | 0.05% | \$450,000 |
| City Terrance Recycling, LLC | SBE, EBE | - | 1.71% | \$15,422,650 |
| Compliance Plus | SBE, EBE | - | 0.03% | \$250,000 |
| Isidore Electronics Recycling | SBE, EBE | - | 0.04% | \$350,000 |
| Agromin | OBE | - | 1.44% | \$13,000,000 |
| AIMCS Consulting | OBE | - | 0.01% | \$50,000 |
| Anaergia Services, LLC | OBE | - | 0.01% | \$100,000 |
| Camland, Inc. | OBE | - | 0% | \$0 |
| Cemex | OBE | - | 0% | \$0 |
| Chiquita Canyon Landfill | OBE | - | 0.01% | \$100,000 |
| Consolidated Fabricators | OBE | - | 0.36% | \$3,270,836 |
| Diversified Energy Supply | OBE | - | 0% | \$0 |
| Ecology Auto Parts | OBE | - | 0.83% | \$7,500,000 |
| Environmental Solutions | OBE | - | 4.33% | \$39,000,000 |
| Finishing Studio | OBE | - | 0.19% | \$1,700,000 |
| Fleetmind Solutions, Inc. | OBE | - | 0.17% | \$1,557,500 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|-----------------------|
| GrandMas USA Inc | OBE | - | 0.02% | \$200,000 |
| Harvest Power | OBE | - | 0% | \$0 |
| MEND – Meet Each Need with Dignity | OBE | - | 0% | \$45,000 |
| Otto Environmental Systems, LLC | OBE | - | 0.05% | \$490,000 |
| Pacoima Beautiful | OBE | - | 0% | \$45,000 |
| Sun Valley Paperstock | OBE | - | 2.62% | \$23,600,000 |
| Sustain LA | OBE | - | 0.00% | \$20,000 |
| Universal Waste Systems, Inc. | OBE | - | 0% | \$0 |
| Wastequip Mfg. Co. LLC | OBE | - | 0.99% | \$8,900,000 |
| Total MBE Participation | | | 1.08% | \$9,750,000 |
| Total WBE Participation | | | 0.32% | \$2,895,000 |
| Total SBE Participation | | | 1.96% | \$17,667,650 |
| Total EBE Participation | | | 1.96% | \$17,667,650 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 11.06% | \$99,578,336 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation | | | 14.30% | \$128,695,986 |
| Base Estimated Contract Amount | | | | \$900,274,218 |

Explanation for “\$0” Dollar Value of Subcontract:

Camland, Inc – Camland was originally listed to haul organics to Harvest Power based on 3 zone award. With only 2 zones award, Harvest Power will not be utilized, therefore, no transportation from Camland is needed.

AAA Rubbish – AAA was listed for 3 zone award. Northeast Valley and SLA zones are not feasible for service from AAA yard.

Universal Waste Systems, Inc. – Not needed for assigned franchise zones.

Cemex, Inc. – Cemex was listed as an engineered fuels subcontractor for residuals from Harvest Power. Harvest Power will not be utilized for current zone award.

Harvest Power – Harvest Power was listed as a possible AD facility for 3 zone award. Harvest Power facility will not be permitted or used with final zone award.

Diversified Energy – Diversified Energy’s fueling system is not compatible with Republic’s fueling capabilities.

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Waste Management:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|-----------------------|
| J.I. Gandara Transport, Inc. | MBE | M/HA | 2.98% | \$31,600,000 |
| ASLAN Consulting | WBE | F/AA | 0% | \$0 |
| Pinnacle Petroleum, Inc. | WBE | F/C | 2.23% | \$23,700,000 |
| American Language Services | OBE | - | 0.00% | \$1,000 |
| AMREP | OBE | - | 3.27% | \$34,700,000 |
| Axiom Translation | OBE | - | 0% | \$0 |
| BIS Computer Solutions | OBE | - | 0% | \$0 |
| C.L.A.R.T.S | OBE | - | 0% | \$0 |
| C+C Public Relations & Social Marketing | OBE | - | 0% | \$0 |
| Cascadia Consulting Group | OBE | - | 0.05% | \$500,000 |
| Chemistry PR | OBE | - | 0% | \$0 |
| Community Build | OBE | - | 0% | \$0 |
| CONFAB | OBE | - | 0.67% | \$7,100,000 |
| Doppstadt West USA | OBE | - | 0% | \$0 |
| Drew Sones Consulting Services | OBE | - | 0% | \$0 |
| Global Business Solutions | OBE | - | 0% | \$0 |
| ICON Information Consultants | OBE | - | 0% | \$0 |
| ID Industries | OBE | - | 0.74% | \$7,900,000 |
| Immigrant Charitable Foundation | OBE | - | 0% | \$0 |
| IW Group, Inc. | OBE | - | 0% | \$0 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|------------------------|
| Los Angeles Beautification Team | OBE | - | 0.02% | \$250,000 |
| Pacoima Beautiful | OBE | - | 0.02% | \$250,000 |
| Paragon Language Service | OBE | - | 0.00% | \$1,000 |
| Potential Industries Inc. | OBE | - | 0.03% | \$350,000 |
| Rush Truck Centers | OBE | - | 0.41% | \$4,300,000 |
| Santiago Hernandez Trucking | OBE | - | 2.23% | \$23,700,000 |
| TEC La Mirada | OBE | - | 0% | \$0 |
| The PM Group | OBE | - | 0% | \$0 |
| Urban Design Center | OBE | - | 0% | \$0 |
| Urban Strategy Group | OBE | - | 0% | \$0 |
| Wastequip Toter | OBE | - | 0.02% | \$250,000 |
| Zero Waste Energy | OBE | - | 1.34% | \$14,200,000 |
| Total MBE Participation | | | 2.98% | \$31,600,000 |
| Total WBE Participation | | | 2.23% | \$23,700,000 |
| Total SBE Participation | | | 0% | \$0 |
| Total EBE Participation | | | 0% | \$0 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 8.81% | \$93,502,000 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation | | | 14.02% | \$148,802,000 |
| Base Estimated Contract Amount | | | | \$1,061,677,000 |

Explanation for “\$0” Dollar Value of Subcontract:

Axiom Translation – No longer exists according to LABAVN search and call to phone number on file.

C.L.A.R.T.S. – Not needed for assigned franchise zones; distance is too far from the West Valley and Southeast Valley.

Drew Sones Consulting Services – Solid waste collection consulting services not needed for assigned franchise zones.

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C+C Public Relation & Social Marketing – Not needed for assigned franchise zones.
IW Group, Inc. – Not needed for assigned franchise zones.
Urban Design Center – Not needed for assigned franchise zones.
Urban Strategy Group – Not needed for assigned franchise zones.
Chemistry PR – Not needed for assigned franchise zones.
The PM Group – Not needed for assigned franchise zones.
Community Build – Not needed for assigned franchise zones.
Immigrant Charitable Foundation – Not needed for assigned franchise zones.
ICON Information Consultants – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.
ASLAN Consulting – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.
Global Business Solutions – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.
BIS Computer Solutions – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.
TEC La Mirada – WM has existing capabilities that will meet the requirement of the contract for assigned franchise zones.

Universal Waste Systems:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|-------------------------------|------------------------------|----------------------|----------------------------|-----------------------|
| Container Management Group | MBE | F/HA | 0.43% | \$1,500,000 |
| The Robert Group | MBE | F/AA | 0.43% | \$1,500,000 |
| Schafer Consulting | MBE | F/APA | 0.01% | \$50,000 |
| Pinnacle Petroleum | WBE | F/C | 0.17% | \$600,000 |
| Clements Environmental | SBE, EBE | - | 1.45% | \$5,000,000 |
| Isidore Electronics Recycling | SBE, EBE | - | 0% | \$0 |
| A&B Recycling and Disposal | OBE | - | 0% | \$0 |
| Angelus Western | OBE | - | 1.45% | \$5,000,000 |
| Chiquita Canyon Landfill | OBE | - | 2.89% | \$10,000,000 |
| Consolidated Fabricators | OBE | - | 0.12% | \$400,000 |
| Fleetmind Solutions Inc. | OBE | - | 0.07% | \$250,000 |
| Law Offices of Gideon Kracov | OBE | - | 0.06% | \$200,000 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|-----------------------|
| MDM Analysis | OBE | - | 0.06% | \$200,000 |
| Rehrig Pacific Company | OBE | - | 0.06% | \$200,000 |
| VigilEye Security Systems | OBE | - | 0% | \$10,000 |
| Total MBE Participation | | | 0.88% | \$3,050,000 |
| Total WBE Participation | | | 0.17% | \$600,000 |
| Total SBE Participation | | | 1.45% | \$5,000,000 |
| Total EBE Participation | | | 1.45% | \$5,000,000 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 4.71% | \$16,260,000 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Participation | Subcontractor Firm | | 7.21% | \$24,910,000 |
| Base Estimated Contract Amount | | | | \$345,510,000 |

Explanation for “\$0” Dollar Value of Subcontract:

A&B Recycling and Disposal – UWS only proposed using this vendor for the North Central zone, however UWS is not being recommended for that zone, therefore A&B Recycling and Disposal services will not be utilized.

Isidore Electronic Recycling – UWS has not committed any dollars from this contract to Isidore Recycling, because this service is not typically a service that we would pay for. UWS does plan to recommend Isidore as a 3rd party recycling vendor for our clients.

Ware Disposal:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|---|------------------------------|----------------------|----------------------------|-----------------------|
| DYJP, Inc., dba Cabo Transport Services | MBE | M/HA | 0.53% | \$500,000 |
| Daniel R Arguello | SBE, EBE, DVBE | N/A | 0.11% | \$100,000 |
| Total MBE Participation | | | 0.53% | \$500,000 |
| Total WBE Participation | | | 0% | \$0 |
| Total SBE Participation | | | 0.11% | \$100,000 |
| Total EBE Participation | | | 0.11% | \$100,000 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|--|------------------------------|----------------------|----------------------------|-----------------------|
| Total DVBE Participation | | | 0.11% | \$100,000 |
| Total OBE Participation | | | 0% | \$0 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Subcontractor Firm Participation | | | 0.74% | \$600,000 |
| Base Estimated Contract Amount | | | | \$94,000,000 |

CalMet:

| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|---------------------------------|------------------------------|----------------------|----------------------------|-----------------------|
| Container Management Group, LLC | MBE | F/HA | 0.29% | \$200,000 |
| AMREP Inc. | OBE | - | 2.83% | \$1,980,000 |
| Clean Energy Fuels | OBE | - | 0.90% | \$630,000 |
| Consolidated Fabricators Corp | OBE | - | 3.00% | \$2,100,000 |
| Fleet Mind Solutions Inc | OBE | - | 0.13% | \$89,000 |
| LACSD | OBE | - | 0% | \$0 |
| Paramount Resource Recycling | OBE | - | 0% | \$0 |
| PCScale Tower | OBE | - | 0.14% | \$100,000 |
| Rehrig Pacific Company | OBE | - | 0.13% | \$90,000 |
| Synoptek | OBE | - | 0.14% | \$100,000 |
| TVI | OBE | - | 0% | \$0 |
| Zero Waste Energy | OBE | - | 0% | \$0 |
| Total MBE Participation | | | 0.29% | \$200,000 |
| Total WBE Participation | | | 0% | \$0 |
| Total SBE Participation | | | 0% | \$0 |

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| SUBCONTRACTOR | MBE/WBE/SBE/ EBE/DVBE/OBE | GENDER/ ETHNICITY | % OF CONTRACT AMOUNT | SUBCONTRACT AMOUNT |
|---|------------------------------|----------------------|----------------------------|-----------------------|
| Total EBE Participation | | | 0% | \$0 |
| Total DVBE Participation | | | 0% | \$0 |
| Total OBE Participation | | | 7.27% | \$5,089,000 |
| Total MBE/WBE/SBE/EBE/DVBE/OBE Participation | Subcontractor Firm | | 7.56% | \$5,289,000 |
| Base Estimated Contract Amount | | | | \$70,000,000 |

Explanation for “\$0” Dollar Value of Subcontract:

Zero Waste Energy – Organics requirements have changed since RFP, CLARTS will have a program.

TVI – Organics requirements have changed since RFP, CLARTS will have a program.

Paramount Resource Recycling – Material will be taken to CLARTS per contract instead.

LACSD – CalMet is planning on using LACSD for the processing of commingled recyclables. It expect the net cost will \$0.

OTHER CITY POLICIES AND REQUIREMENTS

Athens Services, Republic Services, NASA Services, Universal Waste Systems, Waste Management, Ware Disposal, and CalMet shall comply with all City requirements, including:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Living Wage and Service Contractor Worker Retention Ordinances
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- Child Support Obligations Ordinance
- Insurance and Performance Bond Requirements
- Slavery Disclosure Ordinance
- Americans with Disabilities Act
- Municipal Lobbying Ordinance
- Los Angeles Residence Information
- Contract History
- Non-Collusion Affidavit

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- First Source Hiring Ordinance
- Contractor Bidder Campaign Contribution and Fundraising Restriction
- Iran Contracting Act of 2010

NOTIFICATION OF INTENT TO CONTRACT AND CHARTER SECTION 1022

The required Notification of Intent (NOI) to contract was filed with the City Administrative Officer (CAO) Clearinghouse on February 7, 2011 and a revised NOI was submitted on January 14, 2014. However, this contract is exempt from the Charter Section 1022 requirements as this contract will cost less than \$25,000 in terms of City-initiated payments under the contracts. An exemption from Charter Section 1022 was approved by the CAO on January 14, 2014.

CONTRACTOR RESPONSIBILITY ORDINANCE

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles's Contractor Responsibility Ordinance No. 173677, [Article 14, Chapter 1, Division 10, L.A.C.C.]. Failure to comply with the requirements specified in this ordinance will render the bidder's contract subject to termination pursuant to the conditions expressed therein.

CONTRACTOR PERFORMANCE EVALUATION

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration upon completion of these contract.

LOS ANGELES RESIDENCE INFORMATION

The headquarters of Athens Services is 14048 Valley Blvd., City of Industry, CA 91746. Athens Services employs 1,155 people, of which 247 reside in the City of Los Angeles.

The main office of Republic Services is 9200 Glenoaks Blvd, Sun Valley, CA 91352. Republic Services employs 1,950 people, of which 145 reside in the City of Los Angeles.

The headquarters of NASA Services is 1100 S. Maple Ave., Montebello, CA 90640. NASA Services employs 90 people, of which 17 reside in the City of Los Angeles.

The headquarters of Universal Waste Systems is 9016 Norwalk Blvd., Santa Fe Springs, CA 90670. Universal Waste Systems employs 145 people, of which 24 reside in the City of Los Angeles.

The headquarters of Waste Management is 1001 Fannin, Suite 4000, Houston, TX 77002. Waste Management employs 42,616 people, of which 232 reside in the City of Los Angeles.

The headquarters of Ware Disposal is 1451 Manhattan Ave., Fullerton, CA 92831-5221. Ware Disposal employs 114 people, of which 2 reside in the City of Los Angeles.

The headquarters of CalMet is 7202 Petterson Lane, Paramount, CA 90723. CalMet employs 149 people, of which 12 reside in the City of Los Angeles.

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APPROVED AS TO FORM

The proposed contracts have been approved as to form by the Office of the City Attorney.

CONTRACT ADMINISTRATION

Responsibility for the administration of this contract will be with the Solid Resources Commercial Franchise Division of LASAN.

STATUS OF FINANCING

There is no impact to the General Fund. All cost associated with these contract are between the Contractor (Franchisee) and the customer. The estimated overall value of these contracts is over \$3.5 billion for an initial contract term of ten (10) years.

FUTURE ACTION

Upon Approval by the Board, the Report will go to the Mayor for his approval. The Mayor may commission an independent analysis by the City Administrative Officer. Upon his approval, the Mayor will refer the Reports to the City Council for its consideration and approval. The City Council will have authority to approve or disapprove the Report but not to amend or modify. Upon approval by the City Council, The President of the Board or two members will execute the agreements.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO 1
September 26, 2016
Page 43 of 43

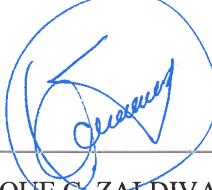
Respectfully submitted,

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

Prepared by:

Dan Meyers (SRCFD), and
Karen Coca (SRCRD)
(213) 485-3686


ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation

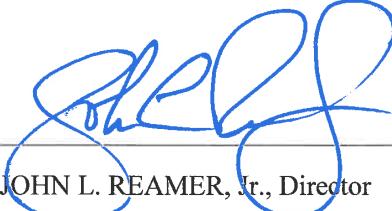

JOHN L. REAMER, Jr., Director
Bureau of Contract Administration

EXHIBIT 4



JOURNAL

BOARD OF PUBLIC WORKS

MONDAY, SEPTEMBER 26, 2016

10:00 AM

Edward R. Roybal BPW Session Room
Room 350 City Hall
200 North Spring Street
Los Angeles, California 90012

Members: Kevin James, President
Heather Marie Repenning, Vice President
Michael R. Davis
Joel F. Jacinto
Vacant

(Fernando Campos, Executive Officer 213-978-0261)

Click [here](#) for the entire agenda packet / documents

Agenda, related board reports and attachments are available on BPW website at:
<http://bpw.lacity.org/>

BPW meetings can be listened to by dialing:
213-621-CITY (Metro), 818-904-9450 (Valley),
310-471-CITY (Westside), 310-547-CITY (San Pedro Area); or
Live audio on-line at <https://www.lacity.org/city-government/elected-official-offices/city-council/council-and-committee-meetings?laCategory=1817>

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities. Assistive listening devices are available at the meeting; upon advance notice, other accommodations, such as sign language interpretation, and translation services can be provided. Contact the Executive Officer's office at 213-978-0262. TDD available at 213-978-2310.

Written material supporting agenda items can be reviewed prior to each Board meeting at the public counter, 200 North Spring Street Room 355, between the hours of 8:00 a.m. and 4:00 p.m.

PUBLIC INPUT AT BOARD MEETINGS:

An opportunity for the public to address the Board on public interest items will be provided for up to two (2) minutes per person for a cumulative total of twenty (20) minutes. Testimony shall be limited in content to matters which are within the subject matter jurisdiction of the Board. The Board may not take any action on matters discussed during the public comment period.

The Board will also provide an opportunity for the public to address the Board on agenda items before or during consideration of the item for up to two (2) minutes per person for a cumulative total of up to ten (10) minutes.

Members of the public who wish to speak under public comments or on any item are required to complete a speaker card for each item they wish to address, and present the completed card(s) to the Executive Officer prior to the time the item is announced by the Chair. Speaker cards are available at the back of the Board Hearing Room. Failure to submit the speaker card in a timely manner may preclude a member of the public from speaking during the subject comment period.

VOTING AND DISPOSITION OF ITEMS - Items require a majority vote of the entire membership of the Board (3 votes) for approval.

Any member of the Board may move to "reconsider" any vote on any item on the agenda, except to adjourn, suspend the Rules, or where an intervening event has deprived the Board of jurisdiction, providing that said member originally voted on the prevailing side of the item. The motion to "reconsider" shall only be in order once during the meeting, and once during the next regular meeting. The member requesting reconsideration shall identify for all members present the Agenda number, meeting date and subject matter previously voted upon. A motion to reconsider is not debatable and shall require an affirmative vote of three members of the Board.

The Board rules provide that all items adopted by the Board will not be distributed or presented to the Mayor, or other designated office, until the adjournment of the regular Board meeting following the date of the Board action. A motion to send an item "forthwith", if adopted by three (3) votes, suspends these rules and requires the Board Secretariat to forward the matter to the Mayor, or other office, without delay.

PUBLIC COMMENTS: Board will hear public testimony on non-agenda items under the

Board's Jurisdiction

DISPOSITION: RECEIVED

NEIGHBORHOOD COUNCIL COMMENTS

Discussion with Neighborhood Council representatives on Neighborhood Council Resolutions or Community Impact Statements filed with the City Clerk which relate to any agenda item listed or being considered on this agenda for the Board of Public Works (LAAC 22.819, Ordinance 184243).

DISPOSITION: NO COMMENTARY

APPROVAL OF THE MINUTES FROM

WEDNESDAY, SEPTEMBER 7, 2016 APPROVED

COMMENDATORY RESOLUTIONS, INTRODUCTIONS AND PRESENTATIONS

AGENDA ITEMS

BUREAU OF STREET LIGHTING

BPW-2016-0272 (1)

CD all BID REJECTION AND RE-ADVERTISEMENT - STREET LIGHTING POLE PAINTING PROJECT UNIT VI

Recommending the Board:

1. Reject all bids submitted for this project and re-advertise for bids to be received on November 16, 2016; and
2. Forward a copy of this report to the affected Council District Offices.

(W.O. L1599174)

DISPOSITION: REPORT ADOPTED, FORTHWITH

MOVED: JOEL JACINTO

SECONDED: HEATHER MARIE REPENNING

AYES: DAVIS, JACINTO, JAMES, REPENNING (4);

JOINT REPORT(S)

BPW-2016-0274 (2)

BOS + BCA

CD all Recommending the Board:

1. Approve and forward this report with transmittals to the Mayor and City Council (Council) with the request that the Board of Public Works (Board) be authorized to execute a Personal Services Contract for the Zero Waste Exclusive Franchise System for commercial and multifamily solid waste collection and handling with the following seven firms:

Large Zones:

- 1) Arakelian Enterprises, Inc. (dba Athens Services aka Athens)
- 2) Consolidated Disposal Service, LLC (dba Republic Services or Republic)
- 3) Universal Waste Systems, Inc. (aka UWS)
- 4) USA Waste of California, Inc. (dba Waste Management aka WM)

Small Zones:

- 5) CalMet Services, Inc., (aka CalMet)
- 6) NASA Services, Inc. (aka NASA)
- 7) Ware Disposal, Inc. (aka Ware)

2. Upon the Mayor's and Council's authorization, the President or two members of the Board will execute the contract;
3. Return the executed contract to the Bureau of Sanitation (LASAN) for further processing. For pick up, contact Dan Meyers of Solid Resources Commercial Franchise Division (SRCFD) at 213-485-3774 or Quonita Anderson of LASAN at 213-485-4246;
4. Recommend that the City Council find it is in the City's best interest to award one of the exclusive franchise contracts for commercial and multifamily solid waste collection and handling to Republic, an Arizona based company, for the reasons outlined in the report; and
5. Request the City Attorney, in collaboration with LASAN, to draft an Ordinance creating a special fund for the Zero Waste LA revenues, excluding AB 939 fees.

(ref: JT #1 BOS BCA 07-10-2015, Ordinance 182986)

DISPOSITION: REPORT ADOPTED - REFERRED TO MAYOR AND COUNCIL, FORTHWITH

MOVED: KEVIN JAMES

SECONDED: HEATHER MARIE REPENNING

AYES: DAVIS, JACINTO, JAMES, REPENNING (4);

ADMINISTRATIVE ITEM(S)

BPW-2016-0273 (3)

Specifications submitted for Board adoption and authorization to advertise for
the Invitation of Bids:

CD 15

For the Century Boulevard Extension - Grape Street to Alameda Street

Work Order No.: E1907358

Federal Project No.: STPL-5006 (810)

Estimate: \$14,954,482

Bid Receipt Date: Wednesday, November 9, 2016

DISPOSITION: ADOPTED, FORTHWITH

MOVED: KEVIN JAMES

SECONDED: HEATHER MARIE REPENNING

AYES: DAVIS, JACINTO, JAMES, REPENNING (4);

BPW - September 26, 2016

*** END ***

EXHIBIT 5

| | | | |
|--|--|------------------|------------------|
| TRANSMITTAL | | | 0150-10818-0000 |
| TO The Council | | DATE | COUNCIL FILE NO. |
| | | 11/03/16 | |
| FROM The Mayor | | COUNCIL DISTRICT | |
| <p>Seven Franchise Agreements for Commercial and Multi-family Solid Waste Collection and Handling with Arakelian Enterprises, Inc. dba Athens Services; Consolidated Disposal Services, LLC dba Republic Services; Universal Waste Systems, Inc.; USA Waste of California, Inc. dba Waste Management; CalMet Services, Inc.; NASA Services, Inc.; and Ware Disposal, Inc.</p> | | | |
| <p>Approved and transmitted for your consideration. See the City Administrator Officer report attached.</p> | | | |
|  (Ana Guerrero) | | | |
| MAS-WKP:06170038r | | | |
| CAG 649-d | | | |

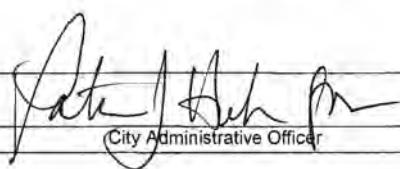
Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(**\$25,000 or Greater and Longer than Three Months**)

| | | | |
|--|--|--------------|--|
| To: The Mayor | Date: 11-02-16 | C.D. No. ALL | CAO File No.: 0150-10818-0000 |
| Contracting Department/Bureau: Public Works/Sanitation | Contact: Dan Meyers, (213) 485-3686 | | |
| Reference: Transmittal from the Board of Public Works dated September 26, 2016; referred for report on September 27, 2016. | | | |
| Purpose of Contract: To provide solid waste collection and handling for commercial and multi-family properties. | | | |
| Type of Contract: (X) New contract () Amendment | Contract Term Dates: 10 years with two five-year renewal options for a total potential term of 20 years. | | |
| Contract/Amendment Amount: \$701.6 million in franchise revenues to the City over a 20-year term | | | |
| Proposed amount \$701.6 million + Prior award(s) \$0 = Total \$701.6 million | | | |
| Source of funds: N/A | | | |
| Name of Contractor: See Report. | | | |
| Address: See Report. | | | |
| 1. Council has approved the purpose | Yes X | No | N/A* |
| 2. Appropriated funds are available | | X | a. Equal Employment Opportunity/Affirm. Action |
| 3. Charter Section 1022 findings completed | | X | b. Good Faith Effort Outreach** |
| 4. Proposals have been requested | X | | c. Equal Benefits Ordinance |
| 5. Risk Management review completed | X | | d. Contractor Responsibility Ordinance |
| 6. Standard Provisions for City Contracts included | X | | e. Slavery Disclosure Ordinance |
| 7. Workforce that resides in the City: See Report | | | f. Bidder Certification CEC Form 50 |
| *N/A = not applicable ** Contracts over \$100,000 | | | |

The Mayor requested that this Office review the proposed franchise agreements. We have performed our review and this Office is not providing a recommendation on the disposition of these agreements. According to the City Attorney, consistent with Los Angeles Administrative Code Section 10.5, the City Council can approve or reject any or all of the proposed agreements, but cannot modify the provisions within the proposed agreements.

Should the Council decide to approve all seven agreements, the following actions are recommended:

1. Authorize the Board of Public Works, on behalf of the Bureau of Sanitation, to execute a personal services contract for the City's Exclusive Franchise System for Commercial and Multi-family Solid Waste Collection and Handling with the following seven private waste haulers:
 1. Arakelian Enterprises, Inc. dba Athens Services;
 2. Consolidated Disposal Services, LLC dba Republic Services;
 3. Universal Waste Systems, Inc.;
 4. USA Waste of California, Inc. dba Waste Management;
 5. CalMet Services, Inc.;
 6. NASA Services, Inc.; and
 7. Ware Disposal, Inc.;
2. Exempt Consolidated Disposal Services, LLC dba Republic Services, which is headquartered in Arizona, from the City's restriction on contracting with businesses based in Arizona (C.F. 10-0002-S36);

| | | | | |
|-----|---------|----------|---------------|--|
| WKP | Analyst | 06170038 | Assistant CAO |  City Administrative Officer |
|-----|---------|----------|---------------|--|

CAO 661 Rev. 5/2007

3. Instruct the City Attorney with assistance from the Bureau of Sanitation to draft an Ordinance to create a special fund for the receipt of community benefits revenues and related community benefit expenditures; and,
4. Instruct the Bureau of Sanitation to deposit all franchise payments and liquidated damages into the General Fund.

Should the Council decide to reject any or all of the proposed agreements, it is recommended that the Council implement the above-mentioned recommendations 1 through 4 for the approved agreements and return the rejected agreements to the Board of Public Works for further processing.

COMMENTS

In accordance with Executive Directive No. 3, the Board of Public Works (Board), on behalf of the Bureau of Sanitation (Bureau) requests authority to execute personal services contract with the following seven waste haulers:

| Company | Address | % Workforce that Resides in City | Franchise Zone(s) |
|--|--|------------------------------------|--|
| Arakelian Enterprises, Inc. dba Athens Services (Athens) | 1408 Valley Blvd. City of Industry, CA 91746 | 21.4% (247 out of 1,155 employees) | West Los Angeles North Central Harbor |
| Consolidated Disposal Services, LLC dba Republic Services (Republic) | 9200 Glenoaks Blvd. Sun Valley, CA 91352 | 7.4% (145 out of 1,950 employees) | South Los Angeles Northeast Valley |
| Universal Waste Systems, Inc. (UWS) | 9016 Norwalk Blvd. Santa Fe Springs, CA 90670 | 16.6% (24 out of 145 employees) | Northeast |
| USA Waste of California, Inc. dba Waste Management (WM) | 1001 Fannin, Suite 4000 Houston, TX 77002 | 0.5% (232 out of 42,616 employees) | West Valley Southeast Valley |
| CalMet Services, Inc. (CalMet) | 7202 Petterson Lane Paramount, CA 90723 | 8.1% (12 out of 149 employees) | East Downtown |
| NASA Services, Inc. (NASA) | 1100 South Maple Ave. Montebello, CA 90640 | 18.9% (17 out of 90 employees) | Downtown |
| Ware Disposal, Inc. (Ware) | 1451 Manhattan Ave. Fullerton, CA 92831 | 1.8% (2 out of 114 employees) | Southeast |

The term of each agreement is 10-years with two five-year renewal options for a total potential term of 20-years and the City has no financial obligations under these agreements.

Background

The Bureau currently provides solid waste collection for single family homes, multi-family properties with four units or less, and some larger buildings with five or more units. The remaining multi-family properties and commercial properties are serviced by private waste haulers under a permit system. Currently, there are approximately 144 private haulers operating under this permit system with the top 15 haulers controlling 99 percent of the market.

On November 14, 2012, the Mayor and Council (C.F. 10-1797) approved the creation of an Exclusive Franchise System (one hauler per franchise area) for solid waste collection from commercial and multi-family properties. The Franchise System provides the City with the opportunity to exert more control over the activities of these private haulers and to receive payment in consideration for the exclusive franchise right and privilege to provide solid waste handling services within the City. The Council also instructed the Bureau to prepare an implementation plan that included a timeline, staffing requirements, and a transition plan for the new Franchise System. The Bureau conducted extensive

community outreach and solicited input and feedback from key stakeholders to develop the Franchise Implementation Plan, which was approved by Council (C.F. 10-1797-S15) on April 24, 2013. Some of the key elements of the new Franchise System are as follows:

- All customers are required to have recycling and solid waste services;
- The City will have 11 Franchise zones with three zones designated as single zones which may not be bundled together with others in the franchise award;
- Consistent with South Coast Air Quality Management District Rule 1193, franchise haulers are required to meet clean fuel requirements;
- Consistent with State law, franchise haulers will be required to implement an organics recycling program;
- No more than 49 percent of the services will be awarded to a single hauler;
- Cost of living increases will be capped for all contracts;
- Franchise haulers are required to develop contingency plans to ensure uninterrupted services;
- Extensive, ongoing public education will be conducted;
- Special needs of hospitals and other medical facilities will be addressed; and,
- An alternative process for studios will be provided.

In April 2014, the Mayor and Council (C.F. 10-1797-S16) certified the Final Environmental Impact Report and adopted the Ordinance creating the Exclusive Franchise System. Subsequently, in February 2015, the Mayor and Council (C.F. 14-1422) approved the Franchise Staffing Plan, which includes 112 full-time and as-needed positions to be phased in over a three year period. These positions will develop the infrastructure, policies, systems, and procedures to support the Franchise System as well as develop and participate in the contractor selection process, manage the franchise contracts, facilitate the transition from the current open market system to the Exclusive Franchise System, and enforce the policies of the Franchise System.

Contractor Selection Process

On June 11, 2014, the Board authorized the Bureau to distribute a Request for Proposals (RFP) and to negotiate personal service contracts with solid waste haulers for the Franchise System. By October 29, 2014, the Bureau received 15 proposals. Five evaluation teams were assembled to independently review and score each proposal on the following five RFP scoring categories:

| RFP Scoring Category | Points |
|----------------------------------|---------------|
| Qualifications | 10 |
| Customer Service/Transition Plan | 25 |
| Service Plan | 20 |
| Diversion Plan/Innovation Ideas | 25 |
| Cost and Franchise Payment | 20 |
| Total | 100 |

Each evaluation team included four or more members comprised of subject matter experts from the Bureau and consultant teams. All 15 proposals were deemed responsive to the RFP and the Bureau negotiated contracts with the highest scoring proposals. On September 26, 2016, the Board approved the Bureau's recommendations for contract award.

The City has adopted a policy that restricts City departments, to the extent permissible and consistent with the City's interests, from contracting with businesses based in or with headquarters in Arizona (C.F. 10-0002-S36). One of the firms, Republic, which is being recommended for contract award for two of the large franchise zones (South Los Angeles and Northeast Valley) is headquartered in Arizona. The Council will be required to make a policy decision on whether to enforce this policy or grant an exemption to Republic. The seven franchise agreements were negotiated and developed to meet the City's overall diversion targets taking into consideration each hauler's commitment to building new infrastructure and facility improvements as well as each hauler's proposed plans to meet specific diversion targets. As such, if the exemption is not granted, the Bureau would be required to re-award the zones, which would require them to re-examine the overall capacity for recycling, organics, and locations of hauling yards for all the franchise agreements. The Board would also be required to reapprove the agreements. This would delay the contract award for all the franchise zones. In addition, eliminating Republic from consideration would reduce the pool of candidates in the competitive bid process. Therefore, if the Council approves the agreements, we are recommending that the Council exempt Republic as it is in the City's best interest to increase the number of haulers servicing the City and prevent any one hauler from controlling a significant share of the market.

Terms of the Agreements

The services provided under the Franchise System were designed to mirror the Bureau's existing residential curbside collection program such as the use of the Black Bin for residual waste, Blue Bin for recyclables, and the Green Bin for yard waste. The Bureau will continue to provide bulky item collection for all residential properties within the City, which includes single family, multi-family, condominiums, townhouses, and high rise residential towers. Provided below are some key provisions included in the franchise agreements:

- State of California and County of Los Angeles customers have the option to receive services through the Franchise System, but are not required to participate;
- Studios may contract with any franchise hauler regardless of franchise zone;
- Hospitals are given priority customer status due to their special needs and requirements;
- All customers will receive a base package of services that include one 96-gallon Black Bin and one 96-gallon Blue Bin to be serviced once a week. Green bin services are optional at this point (but will be required at a later time to meet diversion goals) and are at an additional cost;
- All missed collections will be collected by 10:00 AM the following day;
- All collection routes and schedules need to be approved by the City. All routes must minimize vehicle miles traveled, ensure public safety, and meet the customer's needs;
- Haulers will develop, implement, and maintain an Injury and Illness Prevention Plan (IIPP) and provide its workers with protection from safety hazards arising from operations. Haulers will also provide safety training to its employees and comply with all California State Occupational Safety and Health Administration (CalOSHA) regulations;
- Haulers will develop contingency plans and provide uninterrupted services to the extent possible during an emergency event such as a natural disaster or labor unrest;
- Vehicles must be clean fuel vehicles equipped with on-board technology with Global Position System (GPS);
- Haulers must provide customers with containers that meet City specifications and provide new or replacement containers within two days after notification from City or customer. Haulers are also required to maintain all containers, which includes removing graffiti, providing one annual steam cleaning, and repairing or replacing damaged containers at no expense to the customer;

- Haulers must provide a call center to handle customer inquiries and initiate service requests 24 hours per day and seven days a week. The haulers must also provide a walk-in customer service center in each respective franchise zone. Each of these facilities must be able to accommodate multilingual customers;
- Haulers are responsible for billing customers and prohibited from passing on the franchise payments and Assembly Bill (AB) 939 fees to the customer;
- Haulers will conduct outreach to educate customers on rate schedules, customer rights and responsibilities, and information about recycling programs;
- Haulers will offer customers organics recycling programs;
- Haulers will provide funding or in-kind services to reuse organizations;
- Haulers will meet City approved diversion goals as set forth in Appendix A of the agreements;
- The City will certify all facilities utilized by the haulers;
- Haulers are required to provide tonnage and waste characterization reports to the City; and
- Haulers will be required to improve existing facilities or build new facilities to meet the City's Zero Waste Goals.

Customer Rates

As mentioned previously, the minimum package of services for all customers includes one 96-gallon Black Bin and one 96-gallon Blue Bin to be serviced once per week. The rate for this minimum level of service in all the agreements shall not exceed \$90.90 per month. However, the average current customer service level is the three cubic yard bin serviced once per week, which has a maximum rate of \$216.72 per month. Additional services such as additional capacity and bins, food waste and Green Bin services, and increased collection frequency are available at an additional capped cost to customers. A complete list of services and maximum charges are included in Appendix C. It should be noted that the agreements also include the following adjustments to the maximum rate:

- Annual adjustments, effective January 1, 2018, using a weighted price index. This adjustment shall not be less than zero percent or greater than five percent.
- Adjustments for changes in applicable federal, state, or local laws and regulations governing the contractor's delivery of services or imposition of new or increased government requirements. This does not include changes to federal or state or local minimum wage laws, changes in federal or state income tax laws, changes in fuel costs, changes in market price indices for sales of recyclable materials, or changes in any labor costs. This adjustment will be requested by the contractor on an annual basis and there is no cap on the adjustment percentage.
- Two three-percent increases on January 1, 2019 and January 1, 2020 to cover the costs of implementing an organics recycling program. In October 2014, Governor Brown signed AB 1826 requiring businesses that generate eight cubic yards of organic waste per week to recycle their organic waste on and after April 1, 2016. Furthermore, on January 1, 2019, AB 1826 requires businesses that generate four cubic yards or more of commercial solid waste per week to arrange for organic waste recycling services. Contractors are required to meet specific diversion goals and those goals cannot be achieved without implementing an effective organics program.
- Sixty months after contract execution and every 60 months thereafter, the contractor may request that the Bureau Director review the need for an adjustment, not to exceed three percent.

At this time, it is difficult to estimate the impact to existing customer rates as the rates included in Appendix C are maximum rates the haulers may set and haulers may elect to charge lower rates. In addition, some customers are currently not receiving Blue Bin services and will be required to receive this service under the franchise agreements and some customers may request for additional capacity, additional service frequency, or organics services.

AB 939 Compliance Fee Revenues

Under the terms of the franchise agreements, the haulers will continue to remit to the City the AB 939 fees, which are 10 percent of gross receipts from Black Bin services. The receipts are deposited into the Citywide Recycling Trust Fund (CRTF) to support the costs to develop, implement, and administer recycling programs for industrial, commercial, and multi-family properties within the City. The existing staff and resources supporting the Franchise System are funded by the CRTF. However, the CRTF is projected to have a structural deficit by 2018-19.

The CRTF was created in 2002 and during the first seven years, revenues exceeded expenditures as the Bureau was developing and implementing its recycling programs. This created a healthy reserve within the fund but once these programs were fully implemented, expenditures began to exceed revenues. The CRTF is still carrying a modest reserve, which will be required to address a projected six percent reduction in AB 939 fee revenues from increased diversion of Black Bin materials and annual salary increases for labor costs over the next five years. In addition, the City's Solid Waste Integrated Resources Plan (SWIRP) requires the City to conduct large scale media and outreach to promote recycling programs and to construct a commercial organics processing facility (currently estimated cost is \$35.6 million) at the Central Los Angeles Recycling and Transfer Station (CLARTS) to meet the City's Zero Waste goal by 2025. The implementation of the new Franchise System will reduce CRTF's most significant expenditure, which are the annual costs for providing recycling services to multi-family properties as these services will be provided by the franchise haulers. However, these savings are offset by the costs to administer the Franchise System.

Franchise Payments

Franchise payments were developed in contract negotiations and are determined as a percentage of gross receipts associated with the contractors providing services under the agreements. Specifically, the franchise payments to be remitted to the City are 10.5 percent of gross receipts from base services for the eight large franchise zones and 4.32 percent of gross receipts from base services for the three small franchise zones. For all additional services above the base, the franchise payment is 10 percent of gross receipts. It is estimated that the franchise agreements will generate approximately \$701.6 million in franchise payments over the 20-year term of the agreements. These projections were calculated by taking the existing customer service levels (as reported by the haulers) multiplied by the maximum charges for equivalent service levels as outlined in the franchise agreements. The projections also assume annual Consumer Price Index (CPI) adjustments and reduced revenues from the increased diversion of Black Bin materials. Only \$15.6 million in revenues are projected for the first year of the agreements to reflect the transition of customer accounts from the old permit system to the new Franchise System. For the remaining term of the agreements, average annual revenues are projected at \$36.1 million per year. It should be emphasized that these are estimates based on available information such as existing customer service levels and maximum rates that haulers can charge and customers may elect for additional services or reduced levels of services and haulers may set lower rates. An Attachment has been provided to show the Bureau's annual projected franchise payments.

In addition to the \$36.1 million in annual franchise payments, there are also additional revenues from liquidated damages and funding for community benefits, such as, supporting environmental community events. At this time, it is difficult to estimate the amount of revenue from liquidated damages and the agreements contain provisions to allow haulers an opportunity to correct potential violations before fines are assessed. In addition, the City recognizes that certain franchise zones face greater challenges in meeting diversion requirements and the agreements allow haulers to submit mitigating information prior to the assessment of liquidated damages. The City's hope is that there are no liquidated damages. For community benefits, the agreements require haulers to remit to the City on July 1st of every year, \$1,000 per 100 accounts serviced. This would generate \$649,170 in annual revenues based on 64,917 service accounts as reported in the Board report dated September 26, 2016. However, these funds would be restricted for community benefits, which are not clearly defined within the agreements.

In the Board's report dated September 26, 2016, the Bureau is recommending that a special fund be created for the deposit of all franchise payments, which also includes all liquidated damages and funding for community benefits. This new special fund would be administered by the Bureau to support the costs of administering the Franchise System. The special fund would restrict the uses of the franchise payments to the purposes defined in the Ordinance, which are unspecified in the Bureau's report.

Similar to the majority of other franchise fee revenue sources, we are recommending that the franchise payments be deposited into the General Fund instead of a special fund. Franchise fees represent consideration for the use of the City's right-of-way, much of which is supported by the General Fund. Depositing these revenues into the General Fund would provide the Mayor and Council with greater flexibility to program these unrestricted funds through the City's annual budget process. As an example, franchise revenues could be allocated to repair and maintain critical City infrastructure, such as streets and roadways, that are heavily impacted by waste hauling operations. If additional funding is required to support the costs to administer the Franchise System, the Mayor and Council could also allocate funding to the Bureau for this purpose through the City's annual budget process.

Initiative Ordinance for Non-Exclusive Franchise System

On October 12, 2016, the City Clerk approved the petition draft for an Initiative Ordinance for a Non-Exclusive Franchise System for Solid Waste Collection for circulation and collection of signatures of registered voters. The Initiative Ordinance is proposing to amend the Los Angeles Municipal Code (LAMC) to change the current Exclusive Franchise System to a Non-Exclusive Franchise System. The proposed ordinance would repeal certain City restrictions on removal and transportation of solid waste and would repeal the City's requirement that owners of commercial and multi-family buildings subscribe to and show proof of solid waste collection services. The proposed ordinance would repeal certain City rules requiring commercial establishments to retain collection services for recyclables. The proposed ordinance would also repeal certain City restrictions regarding the operation of solid waste disposal facilities. Lastly, the proposed ordinance would eliminate several current requirements in standard franchise agreements, including the requirements that a franchisee pay a living wage, supply trash containers for recyclables and organics, deliver recyclables and organics to certified City disposal facilities, and enter into labor peace agreements limiting work stoppages.

In accordance with Charter Section 450, the City Council may consider and adopt any proposed ordinance that was submitted by petition and filed with the City Clerk. According to Charter Section 451(b), the petition must collect 61,487 signatures of registered voters within the City, which reflects 15 percent of the total votes cast for all candidates for the Office of the Mayor at the last election at which the Mayor was elected. These signatures must be collected within 120 days prior to the filing of the completed petition. Once the required signatures are obtained and the City Clerk has certified the petition, the proposed ordinance is presented to the Council for consideration and the Council has 20 days to take an action on the item. The Council can adopt the ordinance, call a special election, or submit the proposed ordinance to a vote at the next regular City election.

FISCAL IMPACT STATEMENT

The franchise agreements are projected to generate approximately \$701.6 million in franchise revenues during the 20-year term of the agreements. If the Council approves the agreements, this report recommends that these revenues and liquidated damages be deposited into the General Fund and funding be appropriated through the City's annual budget process, which is subject to Mayor and Council approval. This report also recommends that a special fund be created for the expenditure and receipt of community benefit revenues. The recommendations in this report are consistent with the City's Financial Policies as it relates to the use of new unrestricted revenues to support existing programs prior to funding new programs and the use of franchise revenues to diversify the City's revenue base to shelter the City from short-time fluctuations in any one revenue source.

MAS:WKP:06170038

Attachment

ATTACHMENT

Projected Franchise Revenues
From 2017-18 Through 2036-37

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | TOTAL |
|---------------------------------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|--------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Fiscal Year | 17-18 | 18-19 | 19-20 | 20-21 | 21-22 | 22-23 | 23-24 | 24-25 | 25-26 | 26-27 ⁵ | 27-28 | 28-29 | 29-30 | 30-31 | 31-32 | 32-33 | 33-34 | 34-35 | 35-36 | 36-37 | |
| Base (in millions) | \$ 15.65 | \$ 35.78 | \$ 35.78 | \$ 36.09 | \$ 36.41 | \$ 35.70 | \$ 34.98 | \$ 34.26 | \$ 33.52 | \$ 32.75 | \$ 33.40 | \$ 34.07 | \$ 34.75 | \$ 35.44 | \$ 36.15 | \$ 36.87 | \$ 37.61 | \$ 38.36 | \$ 39.13 | \$ 39.91 | |
| Minus Black Bin Decrease ¹ | n.a | n.a | \$ (1.38) | \$ (1.38) | \$ (1.38) | \$ (1.38) | \$ (1.37) | \$ (1.37) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| CPI Adjustment ² | n.a | n.a | \$ (0.03) | \$ (0.03) | \$ (0.03) | \$ (0.03) | \$ (0.03) | \$ (0.03) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| New Revenue | n.a | n.a | \$ 34.37 | \$ 34.68 | \$ 35.00 | \$ 34.29 | \$ 33.59 | \$ 32.86 | \$ 32.11 | \$ 32.75 | \$ 33.40 | \$ 34.07 | \$ 34.75 | \$ 35.44 | \$ 36.15 | \$ 36.87 | \$ 37.61 | \$ 38.36 | \$ 39.13 | \$ 39.91 | |
| CPI Increase ³ | n.a | n.a | \$ 0.69 | \$ 0.69 | \$ 0.70 | \$ 0.69 | \$ 0.67 | \$ 0.66 | \$ 0.64 | \$ 0.65 | \$ 0.67 | \$ 0.68 | \$ 0.69 | \$ 0.71 | \$ 0.72 | \$ 0.74 | \$ 0.75 | \$ 0.77 | \$ 0.78 | \$ 0.80 | |
| Yr3 & 4 Increase ⁴ | n.a | n.a | \$ 1.03 | \$ 1.04 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Total | \$ 15.65 | \$ 35.78 | \$ 36.09 | \$ 36.41 | \$ 35.70 | \$ 34.98 | \$ 34.26 | \$ 33.52 | \$ 32.75 | \$ 33.40 | \$ 34.07 | \$ 34.75 | \$ 35.44 | \$ 36.15 | \$ 36.87 | \$ 37.61 | \$ 38.36 | \$ 39.13 | \$ 39.91 | \$ 40.71 | \$ 701.58 |

¹ \$1,375,357 steady revenue decrease due to an increase in diversion and decrease in solid waste (Black Bin) between FY 19-20 through FY 25-26.

² Applying a projected 2% annual CPI adjustment to revenue decrease.

³ Applying a projected 2% annual CPI increase per FY.

⁴ Applying a 3% increase for FY 19-20 and FY 20-21 as per contract.

⁵ Starting FY 26-27 onward, no anticipated decreases in revenue due to increases in diversion.

⁶ Projections do not include growth in materials generated.

EXHIBIT 6

File No. 10-1797-S17, 10-1797-S16

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ADDENDUM and ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to a request for authority to award contracts for the Zero Waste LA Exclusive Franchise System for commercial and multifamily solid waste collection and handling.

Recommendations for Council action:

1. CONSIDER the CEQA Addendum with the certified Program Environmental Impact Report (EIR) and FIND that the previously certified EIR (Council file No. 10-1797-S16) remains relevant.
2. FIND that the activities approved by the contract awards are within the scope of the project covered by the certified Program EIR, that the activities would not have effects the certified EIR did not examine, and that no new environmental document is required.
3. AUTHORIZE the Board of Public Works (BPW), on behalf of the Bureau of Sanitation (BOS), to execute a personal services contract for the City's Exclusive Franchise System for commercial and multifamily solid waste collection and handling with:

Arakelian Enterprises, Inc. (dba Athens Services aka Athens)
Consolidated Disposal Services, LLC (dba Republic Services or Republic)
Universal Waste Systems, Inc. (aka UWS)
USA Waste of California, Inc. (dba Waste Management aka WM)
CalMet Services, Inc. (aka CalMet)
NASA Services, Inc. (aka NASA)
Ware Disposal, Inc. (aka Ware)

4. FIND it is in the City's best interest to award one of the exclusive franchise contracts for commercial and multifamily solid waste collection and handling to Republic, an Arizona-based company, for the reasons outlined in the BOS report dated September 26, 2016, attached to the Council file.
5. REQUEST the BPW not to execute the contracts until January 31, 2017.
6. REQUEST the BOS to report to the Energy and Environment Committee in 30 days on:
 - a. Additional subcontracting opportunities that may be expected in the current contracts.
 - b. Progress made to expand outreach to potential subcontractors that can be added after the franchise awards are executed. Outreach should be to all types of businesses including, but not limited to, Women Business Enterprise, Minority Business Enterprise, Emerging Business Enterprise, Disabled Veterans Business Enterprise, Small Business Enterprise, and all other business enterprises, with added focus on sub-contractors with little or no previous government procurement experience.
7. REQUEST the BOS to seek amendments after the contracts are executed, to incorporate

additional subcontracting and outreach goals, so that meeting these goals are material requirements of the contracts, to the extent permitted by law.

8. NOTE and FILE the City Administrative Officer (CAO) reports dated November 2, 2016 and November 7, 2016 and the BOS report dated November 28, 2016.

Fiscal Impact Statement: The BOS reports that there is no impact to the General Fund. All costs associated with these contracts are between the Contractor (Franchisee) and the customer. The estimated overall value of these contracts is over \$3.5 billion for an initial contract term of ten years.

Community Impact Statement: None submitted.

TIME LIMIT FILE - DECEMBER 12, 2016

(LAST DAY FOR COUNCIL ACTION - DECEMBER 9, 2016)

Summary:

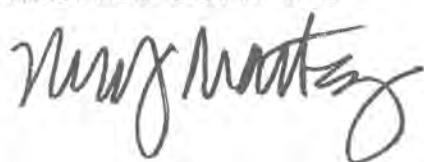
On December 7, 2016, the Energy and Environment Committee considered reports from the City Administrative Officer, the Board of Public Works, and the BOS relative to a request for authority to award contracts for the Zero Waste LA Exclusive Franchise System for commercial and multifamily solid waste collection and handling. The reports, attached to the Council file, provide background information and details on the proposed contracts. On November 2, 2016, the Committee considered the matter for discussion purposes only, and a report and powerpoint presentation on the components of the Program was provided by the BOS. After providing an opportunity for public comment, the Committee continued the matter and instructed the BOS to report back on a number of questions related to the Program and the RFP process. A report relative to the Committee's inquiries was submitted on November 28, 2016. In addition, the Committee requested the BOS and the BPW to work with interested parties on methods and approaches to address participation rates associated with women and minority businesses. That component is part of Council file No. 16-1235.

During the discussion of this item on December 7, 2016, representatives from the BOS and the City Attorney provided an overview of the Bureau's request and responded to related questions from the Committee members. After providing an opportunity for public comment, the Committee recommended that Council approve the recommendations detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

| MEMBER | VOTE |
|--------------|------|
| MARTINEZ: | YES |
| BLUMENFIELD: | YES |
| KORETZ: | YES |
| CEDILLO: | YES |
| O'FARRELL: | YES |



MLE
10-1797-S17_rpl_ea_12-7-16

-NOT OFFICIAL UNTIL COUNCIL ACTS-

EXHIBIT 7

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPES
EXECUTIVE OFFICER

When making inquiries relative to
this matter, please refer to the
Council File No.: [10-1797-S17](#)

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Council and Public Services Division
200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
FAX: (213) 978-1040

BRIAN E. WALTERS
DIVISION CHIEF

CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

December 13, 2016

Council File No.: [10-1797-S17](#)

Council Meeting Date: December 09, 2016

Agenda Item No.: 8

Agenda Description: CALIFORNIA ENVIRONMENTAL QUALITY ACT ADDENDUM, and ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to a request for authority to award contracts for the Zero Waste LA Exclusive Franchise System for commercial and multifamily solid waste collection and handling.

Council Action: ENERGY AND ENVIRONMENT COMMITTEE REPORT - ADOPTED

| Council Vote: | |
|----------------------|-------------------------|
| YES | BOB BLUMENFIELD |
| YES | MIKE BONIN |
| YES | JOE BUSCAINO |
| YES | GILBERT A. CEDILLO |
| YES | MICHAEL ENGLANDER |
| YES | MARQUEECE HARRIS-DAWSON |
| YES | JOSE HUIZAR |
| YES | PAUL KORETZ |
| ABSENT | PAUL KREKORIAN |
| YES | NURY MARTINEZ |
| YES | MITCH O'FARRELL |
| YES | CURREN D. PRICE |
| YES | DAVID RYU |
| YES | HERB WESSON |

HOLLY L. WOLCOTT
CITY CLERK

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

Exhibit 7
7-1